

# INTERNATIONAL Herald Tribune

Published with The New York Times and The Washington Post

No. 30,707

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PARIS, MONDAY, NOVEMBER 9, 1981

Established 1887

## U.S. Presses Europeans To Reconsider Deal On Soviet Gas Pipeline

By Joseph Fitchett  
*International Herald Tribune*

PARIS — As contracts fall into place for a mammoth Siberian gas pipeline to Western Europe, a high-level U.S. mission is making a last-minute plea to allied governments — apparently to little avail — to reconsider the energy deal with the Soviet Union.

There are indications that the agreement will be completed in time for Soviet President Leonid Brezhnev's visit to West Germany starting Nov. 22. After a flurry of construction and credit deals in recent weeks, there are reports that the Russians are ready to drop their asking price for the gas — the last outstanding issue.

Rubagas, the West German utility that is leading the gas buyers' consortium, could conclude the agreement this week. When completed, the 2,200-mile (3,520-kilometer) twin-pipe line will deliver the gas, the equivalent of 700,000 barrels a day of oil, from Urengoy, in western Siberia.

Although European governments are pointedly treating the pipeline as a commercial matter, it is politically controversial because of U.S.-Soviet tension. The deal weakens a Reagan administration attempt to control strategic commerce with the East bloc.

**Contracts Assigned**

Reagan administration officials have described the pipeline as an untimely structural change in Soviet-European commerce that could give Moscow economic and political leverage. A U.S. official said, for example, that if the Russians intervened in Iran, European governments might be reluctant to impose sanctions because the pipeline would have created strong gas dependence and economic links.

To build it, multibillion-dollar contracts have been assigned to European firms, including West Germany's Mannesmann and

**AEO-Kanis and Italy's Nuovo Fipone.**

Once gas deliveries have paid these bills, the pipeline will bring the Soviet Union at least \$7.5 billion annually in hard currency.

This revenue will enable the Soviet Union to maintain a strong order book, a U.S. diplomat said, particularly for Europe's troubled machine-tool and steel industries.

To press these U.S. objections, a mission led by Myer Rashish, undersecretary of state for economic affairs, last week visited West Germany and France. This week he will see representatives of other customers for the Soviet gas — Austria, Belgium, Italy, the Netherlands and Switzerland — who will be attending an International Energy Agency meeting in Paris.

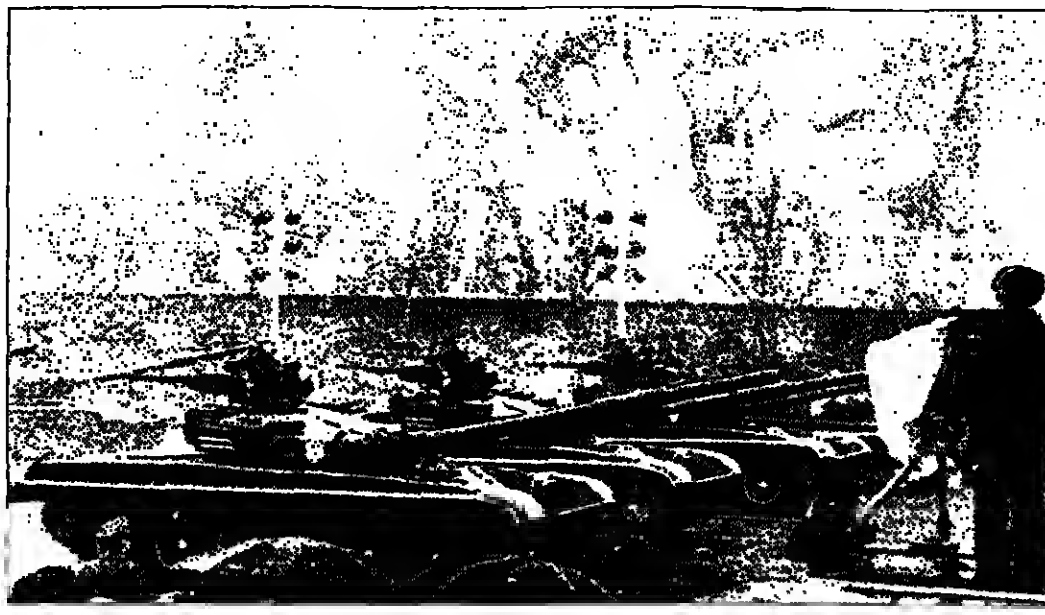
Mr. Rashish can expect to be politely rebuffed, several European sources said. Already, West German Economics Minister Otto G. Lambsdorff has said that "West Germany intends to stick to the Soviet deal."

**Growing Concern in U.S.**

Acknowledging that the U.S. push has come late, Mr. Rashish nonetheless indicated in an interview during the weekend that U.S. opinion is showing growing concern about the pipeline — apparently because it reinforces U.S. fears of neutralist trends in Western Europe.

West Germany, in the U.S. view, is the European country that is spurring the Siberian deal. "France actually needs the gas more, but the West Germans are the ones in a hurry," a U.S. source said. Apparently equally eager, the Soviet Union also is reported to be dropping its gas price below the oil-equivalent level sought by Algeria and other major gas exporters.

Given the recent publicity about (Continued on Page 2, Col. 7)



Soviet T-72 tanks in Red Square during parade on the 64th anniversary of the Russian Revolution.



A float reading 'nyet' to U.S. neutron weapons passed the reviewing stand during the military parade in Moscow's Red Square.

## Soviet Might Is Stressed At Parade

By Serge Schmemmann  
*New York Times Service*

MOSCOW — The Soviet Union celebrated the 64th anniversary of its revolution during the weekend with the traditional display of military might in Red Square. From atop the Lenin Mausoleum, Defense Minister Dmitri F. Ustinov said the country would never allow another to achieve military superiority.

He made the comments on Saturday in a brief "order of the day" to troops of the Moscow garrison massed in the square for the annual celebration.

Accusing the West and China of "lunatic imperialist reaction," Marshal Ustinov said the Soviet Union paid "unremitting attention" to its defenses.

"We have out and do not seek military superiority over others," he said. "It is not our policy. But we will not allow such superiority to be created over us." Soviet leaders have accused President Reagan of seeking to establish military superiority for the United States over the Soviet Union.

"Such attempts to talk to us from a position of strength are absolutely devoid of prospects," Marshal Ustinov said. "The Soviet armed forces have everything needed to give a crushing rebuff to any aggressor."

**Speech in Kremlin**

In a more detailed speech Friday at a rally in the Kremlin, Marshal Ustinov said comments by members of the Reagan administration on the feasibility of a limited nuclear exchange were dangerous. He denied that Soviet military doctrine included the concept of a pre-emptive nuclear strike and said the Warsaw Pact and the Atlantic alliance were now roughly balanced in military strength.

At the parade Saturday, President Leonid I. Brezhnev and other members of the Politburo stood on the Lenin Mausoleum for two hours while troops, military equipment and thousands of workers filed past under gray, drizzly skies.

The envoys of Sweden, Norway and Denmark boycotted the parade to protest the recent penetration of a Soviet submarine into Swedish waters. Sweden said the vessel might have been armed with nuclear-tipped torpedoes. The Soviet press has said only that a Soviet submarine became stranded off (Continued on Page 2, Col. 1)

## Haig Says Russia Holds An Arms Edge in Europe

By Hedrick Smith  
*New York Times Service*

WASHINGTON — Secretary of State Alexander M. Haig Jr., disputing Leonid I. Brezhnev's assertions of "approximate parity" in nuclear forces in Europe, has said that the Soviet Union has roughly a 3-to-1 advantage over the United States in missiles and aircraft.

But Mr. Haig, saying he was "leery" of such aggregate numerical comparisons, contended that the Soviet numerical edge did not give the Kremlin nuclear superiority in Europe. He said overall calculations were affected by accuracy, underlying military structures and "countless unquantifiable characteristics."

In the coming Soviet-U.S. talks on medium-range nuclear forces, to start in Geneva on Nov. 30, the Americans are expected to focus on reductions in land-based missiles, rather than aircraft and submarines, Mr. Haig said in an interview.

He cautioned that the final negotiating proposals had not yet been put before President Reagan, but he said he was "inclined to think" that land-based missiles would be the primary U.S. focus.

The Reagan administration says that the Soviet Union has a 6-to-1 advantage in medium-range, land-based missiles in Europe, with an inventory of 600 to 650 arrayed against 108 U.S. Pershing-1 missiles in West Germany. Since each Soviet SS-20 missile carries three independently targeted warheads to one warhead for the Pershing-1, Pentagon officials say the Soviet advantage is even greater.

To the interview, Mr. Haig responded positively, although cautiously, to Mr. Brezhnev's recent declaration that Soviet military doctrine "excludes preventive wars and the concept of a first strike."

Mr. Haig said this was "not unexpected," but he was quick to caution that "it is always very difficult to parse out the differences between propaganda posturing and substantive conviction," since one major Soviet aim was "sowing the seeds of discord" among the Western allies.

There has clearly been a heavy underpinning of propaganda in recent Soviet expositions, Mr. Haig went on. "On the other hand, when such statements are made at high levels, they clearly also take on substantive overtones, and anything that is an expression of moderation and sensitivity on the question is not unwelcome."

So far, Mr. Haig said, the unity of the Western governments "has been admirably solid and consistent" in the face of Soviet propaganda and large demonstrations in Western Europe protesting plans to deploy 572 U.S. Pershing-2 missiles and Cruise missiles in Europe in 1983.

The secretary, a former supreme commander of NATO forces, said there were "several worrisome" potential consequences from the European protest movement.

One, he said, is the danger of the demonstrations' moving across the Atlantic to the United States. Another is that frustration with European sentiment may lead to a U.S. tendency to pull back from the defense of Europe, he said.

"I suggest that it is cowhorse gear that point today," he said. "We have said it would be a mistake for Americans to 'misread' the European mood as 'a pacifist and neutralist trend.'"

## Poll Finds Britons Believe Reagan Raises War Risk

*The Associated Press*

LONDON — An opinion poll in The Observer newspaper indicates that a majority of Britons sampled believes President Reagan's foreign policy makes a nuclear war more likely and wants U.S. air bases removed from their country.

The Observer said the poll, which it published on Saturday, was carried out by the National Opinion Poll on its behalf on Oct. 26 and 27. This was after Mr. Reagan's widely reported remarks about the possibility of a European nuclear conflict but before last week's conflicting statements by Secretary of State Alexander M. Haig Jr. and Defense Secretary Caspar W. Weinberger on the Western alliance's policy over the use of a "demonstrative" nuclear attack.

The newspaper said the opinions of 1,038 persons in 53 British electoral districts were consulted. It said 57 percent thought Mr. Reagan's policies made nuclear war more likely, while only 8 percent thought they made such an outcome less likely.

Fifty-three percent, the newspaper said, wanted U.S. Air Force bases removed from Britain. The Observer did not say what percentage wanted the bases to remain.

But, the newspaper said, 67 percent of the sampling wanted Britain to keep its own nuclear deterrent. Only 23 percent favored unilateral nuclear disarmament.

And 73 percent wanted Britain to remain in NATO and 35 percent wanted the government to spend more money on defense, while only 22 percent wanted less.

## Early Belgian Returns Show Gain by Rightists

*Reuters*

BRUSSELS — Belgians, voting in general elections, issued a sharp vote of censure Sunday on the Social Christian Party that dominated their outgoing government.

Computer predictions issued by the Interior Ministry with only partial results available showed the rightist Liberals gaining in Flanders and Wallonia at the expense of the Social Christians.

The predictions showed the French-speaking Liberals gaining seven seats, giving them 21 seats in the 212-seat Chamber of Representatives. The Flemish Liberals were winning 28 seats, an increase of six.

The Flemish Social Christians were forecast to have their seats cut by 10 to leave them with 47, and their sister party in Wallonia by nine to 16. But even though they were losing votes, the Social Christians were expected to remain Belgium's largest party.

**New Coalition Foreseen**

The leader of the French-speaking Social Christians, Paul Vanden Boeynants, said the results showed that voters had passed judgment on the last government's failure to make decisions.

Political sources said the computer forecasts indicated a probable new center-right coalition of Social Christians and Liberals, dedicated to cutting the public-sector deficit and stabilizing the Belgian economy.

The head of the French-speaking Liberals, Jean Gol, hailing his party's electoral success, said: "The vote was a mark of censure for state intervention and socialization."

Belgium's two Socialist parties, in coalition with the Social Christians in the outgoing government, also lost votes.

**Economy Groups Gain**

The Interior Ministry's predictions showed that the rightist Flemish Nationalist Party, Volkswijk, had made big gains and that ecological groups had won about 5 percent of the vote.

With a record 24 parties fielding about 700 candidates in Brussels, vote counting in the capital was expected to go on late into the night, delaying full national results until Monday.

Despite the apparent gains of the Liberals, political sources said that Sunday's vote could worsen regional tensions and make the formation of a new coalition government difficult. After the last parliamentary elections three years ago, it took 107 days to form a government.

The elections were called in September after the Flemish Social Christian premier, Mark Eyskens, announced his government's resignation because of internal disagreements over aid to Wallonia's declining steel industry.

## U.S. Aid for Cairo Seen if Libya War Erupts

By Don Oberdorfer  
*Washington Post Service*

WASHINGTON — The Reagan administration, reversing the policy of the Carter administration, has given Egypt assurances of a U.S. military umbrella against the Soviet Union in case of an Egyptian attack on Libya, official sources said.

The sources described the assurances as falling short of encouragement to Egypt to attack its radical neighbor, an action that many U.S. as well as Egyptian military commanders view as risky and perhaps impractical in current circumstances.

The sources emphasized that no military engagement was on the horizon.

There is no doubt, nonetheless, that the changed U.S. posture on an Egyptian-Libyan war is a significant factor in the political and military equation as policy-making intensifies here and abroad to counter the regime of Col. Moamer Qadhafi.

An Egyptian spokesman described as "baseless" the report saying Egypt had received a U.S. offer of support in case of an attack on Libya. The Associated Press reported from Cairo, "The secret U.S. commitment, which was said to have been given in definitive form to Hosni Mubarak, who at the time was vice president, the weekend before the assassination of Sadat, was said to be similar to a commitment secretly given to Sadat by the Ford administration in the fall of 1976."

**Carter Policy**

The Carter administration withdrew the Ford assurance of a superpower umbrella early in 1977. Officials of the Carter White House said the action was taken because of concern that an open-ended commitment would give too much latitude and encouragement to Sadat, while reserving for Washington too little control over a confrontation with the Soviet Union.

The Reagan administration's decision to reverse the U.S. commitment arose from broad and still incomplete policy-making about Col. Qadhafi that has taken place intermittently since early this year.

Secretary of State Alexander M. Haig Jr. has publicly condemned Col. Qadhafi as a leading sponsor of "international terrorism" and called for coordinated international action to deal with him.

The specific action to be taken has been affected by the surprise Libyan decision to order an immediate pullout of its 4,000 troops from Chad.

Senior administration officials were wary of Col. Qadhafi's sudden withdrawal, fearing he might be leaving troublemakers behind or that he had fashioned some other booby trap to bring back the Libyan forces.

While the Reagan administration trained its attention on the Chad pullout, which would appear to ease the Libyan military pressure on neighboring Sudan, there was little likelihood of a final deci-

some parts of the world and underscore Washington's inability to do anything effective about him.

Also under consideration is a range of oil-related decisions, from a unilateral U.S. boycott of Libyan petroleum to a ban on spare parts for American-owned oil installations in Libya.

Growing political pressure to cut off the flow of American dollars, a major source of Libya's strength, was dramatized Oct. 21 when the Senate, in a 47-to-44 vote, turned aside a measure to ban imports of Libyan oil.

The current Washington policy-making about ways to thwart Col. Qadhafi began with an interagency study by the Carter administration late last year, apparently touched off by the attempted assassination on Oct. 14, 1980, of a Libyan dissident in Fort Collins, Colo., allegedly at the hands of a Qadhafi agent.

For all the other Libyan activities around the world, the boldness of a shooting in the American heartland was the final straw for Washington.

The first interagency study by the Reagan administration early this year was a continuation of the Libya policy review, according to official sources. Out of this round of policy-making came, among other things, the decision in May to close the Libyan People's Bureau, in effect its Washington embassy.

The most muscular thing to come out of last spring's anti-Libya planning was the decision to hold military exercises in the Gulf of Sidra, the Mediterranean waters just north of the Libyan coast, (Continued on Page 2, Col. 5)

to nonalignment and positive neutrality.

"Egypt is an African state," Mr. Mubarak said. "It is neither East nor West. Egypt, a great country, will never be within the orbit of this or that country, of this bloc or that bloc."

In recent years, Sadat, while emphasizing Egypt's independence in foreign affairs, also emphasized the link he had forged with the United States.

"Our relations with the superpowers," Mr. Mubarak said, "we (Continued on Page 2, Col. 4)

## Mubarak Ties Stability To Economic Progress

By William E. Farrell  
*New York Times Service*

CAIRO — Egypt's new president, Hosni Mubarak, called Sunday for internal economic reforms to better the lot of the average Egyptian and affirmed that Egypt was committed to a policy of nonalignment in foreign affairs.

Speaking before a session of the National Assembly that was televised nationally, Mr. Mubarak delivered his first major address since being sworn into office Oct. 14.

While emphasizing his commitment to the policies of Sadat, Mr. Mubarak struck his own tone and outlined his version of the directions charted by his predecessor.

The speech began with a brief eulogy for Sadat, who was killed Oct. 6 as he watched a military parade. It then focused on domestic problems, particularly the impoverished nation's precarious economy. Finally, Mr. Mubarak discussed foreign policy, reaffirming Egypt's support for the Camp David peace treaty with Israel.

But the president deviated from Sadat's posture somewhat when he said Egypt was "fully committed

## Industries in U.S. Respond to French Bid for Investment

By Axel Krause  
*International Herald Tribune*

PARIS — In a reversal of Giscardian policy, the Mitterrand government is actively seeking to attract new foreign, and particularly U.S., industrial investments to France.

And based on about a dozen recent examples, the drive is off to a good start.

"It's not quite a boom yet and uncertainties remain, but the investment climate under the Socialists definitely has changed for the better... we are pushing ahead," said the executive of a leading U.S. multinational company that is among those launching or expanding industrial projects.

The investment drive is being motivated by the government's determination to create new jobs quickly, last week France's unemployment exceeded two million for the first time and it shows no sign of easing.

**Warning Relations**

The Mitterrand government also wants to tap advanced U.S. technology and know-how in key sectors, such as electronics, mainly from Japan, even though some decidedly hostile French industrialists fear a new, unwelcome source of competition at home.

The new policy reflects warming U.S.-French relations. Western and French officials said, "Domestic considerations clearly predominate, but it is not pure chance that welcoming Americans now is coming just as Presidents Mitterrand and Reagan are agreeing on key Atlantic issues," said a senior Western diplomat based in Paris.

Among the U.S. direct investments announced in the past several weeks are the following:

- Ford plans to invest \$200 million to expand its large auto transmission plant in Bordeaux, representing the largest foreign investment in France this year and Ford's single biggest in Western Europe.
- Hewlett-Packard plans to build a new plant near Lyons to manufacture electronic equipment and possibly, small computers.
- Quaker Oats is building a small pet food plant in St. Etienne, its second in France, which may be expanded later.
- Macrodynne Industries, a California-based company, plans to construct a plant to build high-velocity stamping equipment in Parthenay, in western France.
- Harris Inc. and Inel, also of California, are teaming up with the recently nationalized Matra group of France to double the capacity of an existing semiconductor plant and to build a new electronic design center, both in Nantes.
- Union Carbide is teaming up with Elf-Aquitaine, the state-controlled oil company, to build a carbon fiber plant in southwestern France, and they are considering a second unit to manufacture polyacrylonitrile, a petrochemical used in textile fibers.

Preparations for these projects and roughly half a dozen others being evaluated by the French government were started before the election victory of Mr. Mitterrand last May.

But after the election, each case was carefully reviewed for potential political implications, in most cases by the U.S.-based top management and boards of directors of the companies, according to interviews with company executives on both

sides of the Atlantic and senior French government officials.

"I feared my top management would reverse our basic decision to proceed, but they did not," said Pierre Mary, head of Quaker France. He added that his company also had been considering a site in the Netherlands.

"We have full confidence in the [Mitterrand] government," said Rudolf H. Bonifaz, president of Ford France, shortly after Ford's project was announced Oct. 21.

**Ford's Decision**

Ford had weighed a site in Britain, but turned to Bordeaux largely because of handy, skilled manpower at the site but also because, French and Ford officials said, the government agreed to provide about \$40 million in financial backing and because the project had the continued backing of Jacques Chaban-Delmas, the mayor of Bordeaux and a former prime minister in the government of Georges Pompidou.

Generous subsidies and low-interest, government-backed loans are being offered in virtually all of the ventures, covering 25 percent of more of the total costs.

French government officials readily conceded that these enticements were established under previous non-Socialist governments, but they emphasize that they are being applied more generously than before.

"Our approach and attitude is new — the funds have always been there — but we are moving faster, without delays and prejudice to Americans and we are listening to all the suggestions on how to improve the climate even more," said a senior official in the Ministry of Economy and Finance.

He and officials at DATAR, the government's regional development agency, emphasized that the new effort will be continued despite some decidedly hostile complaints from French business groups.

An example is the French telecommunications industry, which last week vehemently criticized government approval of a project by Mitef, a Canadian telecommunications company, to build two plants in the Vosges region representing a total investment of 150 million francs and that will create about 1,000 new jobs.

"That project has our blessing, since it represents a new, badly needed investment in a depressed area that has been traditionally based on textiles," a DATAR official said, adding that Mitef and North American companies generally are more willing to go into high unemployment areas than their French counterparts are.

This year — representing the first major increase since 1976 — foreign direct investments in France will rise from the year-earlier level of about \$2 billion, led by the United States and trailed by West Germany, Britain and Switzerland, government officials said.

**Remaining Barriers**

A decade ago, total direct investments in France totaled \$2.9 billion, according to a recent survey of investment trends published by the Organization for Economic Cooperation and Development.

Barriers remain. For example, Western diplomats in Paris said that the Mitterrand government still appears opposed to foreign takeovers of major French companies.

Meantime, the U.S. Chamber of Commerce in France recently circulated a six-page memorandum to key ministries outlining and criticizing what it considers to be continuing obstacles to new U.S. investments, affecting both companies and executives based in France.

The chamber would like to see more detailed information regarding what sectors the government wants to develop plus the terms of possible foreign participation, as well as swifter processing of requests for approval of projects.

New government-sponsored tax proposals aimed at raising personal income taxes and tapping revenues generated outside France also should be revised to favor investments and, above all, executives.

**Tax Plans Feared**

According to the memorandum, the government tax proposals are costly and unfair and could cause executives and their companies to leave or bypass French investments in favor of those in Britain and Belgium or other countries which have "more understanding" attitudes.

"This is not the best time to be investing in France, since there are still many uncertainties such as the gloomy state of the economy," said a director of the chamber and a longtime Paris resident. He added that "our suggestions are aimed at making France more competitive."

Senior French officials said that they were studying the letter and that it would be answered. "We want to be understanding," the Finance Ministry official said. But he emphasized: "We also think a distinction should be drawn between the interests of U.S. corporations and individual executives or residents working for them... They are not necessarily the same."

**INSIDE**

### Reagan Budget

Like the events of a soap opera, the dismal economic choices that confront President Reagan have a familiar look. They are, in fact, the same choices of what to cut in the budget that he faced upon election exactly a year ago. The twist is that, this time, Reagan is handicapped by division among his advisers and allies over what to do, Page 3.

### Solid Salvador

Despite persistent reports of concern within the Reagan administration about the civil war in El Salvador, the State Department says that it considers the U.S.-supported, civilian-military government to be "stronger today than it was at the beginning of the year," Page 4.







# Britain Reportedly Still Hopeful Of European Role in Sinai Force

By Leonard Downie Jr.  
Washington Post Service

LONDON — British officials have said they still hope to work out a formula under which Britain, France, Italy and the Netherlands can participate in the J.S.-led Sinai peacekeeping force, despite Israeli and U.S. objections to what Britain first proposed.

Britain originally drafted a formal announcement that would have stated European participation in the Sinai force did not imply support of the Camp David peace process and reserved the Common Market's right to pursue its own peace initiative.

This drew not only a public warning from Israel that it might not participate in the peacekeeping force by the four European countries, but also criticism from U.S. Secretary of State Alexander M. Haig Jr. that apparently prompted the most recent postponement of the formal announcement by the Europeans.

The Israeli Cabinet Sunday formally adopted two conditions for participation in the force by any country.

In one condition, the Cabinet declared that the force, which will patrol the Sinai after Israeli withdrawal on April 25, will not supervise the pullback of Israeli forces.

Lord Carrington had said that Britain decided to contribute troops to the force because it wanted to assure the return of Arab lands to the Arabs.

The Cabinet also voted to bar participation in the force by any nation that referred in public statements to the European Economic Community's Venice Declaration, which spelled out the terms of a European Middle East peace initiative.

British officials on Saturday noted reports from Washington that a U.S. official also had suggested that Britain did not really want to participate in the Sinai

force because of objections from Arab nations and had drafted a statement it knew would be rejected by Israel.

A British official said, "There is no truth in that whatsoever."

**Egyptian Concerns**  
The Egyptian government also is reportedly concerned about the delay in the formal EEC decision on participation in the Sinai force.

The governments of Britain, France, Italy and the Netherlands all have decided in principle to agree to U.S. and Israeli requests to participate in the planned 2,500-man force when Israel completes its withdrawal from the Sinai on April 25.

The original British draft for an announcement of the four countries' participation in the Sinai force was designed to meet objections from some other Common Market countries and senior British diplomats that participation in the Sinai force would be seen as an endorsement of the Camp David accord.

**Haig Criticism**  
The EEC initiative calls for Palestinian participation in negotiations based on recognition of both the Palestinians' right to self-determination and Israel's right to existence within secure borders.

British officials have tried to play down Mr. Haig's criticism last week of British Foreign Secretary Lord Carrington's repeated assertions that Camp David was limited

as a vehicle for achieving lasting peace to the Middle East.

British officials said Mr. Haig's expression of concern in a meeting with the British ambassador, Sir Nicholas Henderson, about the Sinai peacekeeping force was not similar to what he was later quoted as telling a group of U.S. Jewish leaders immediately afterward.

According to an account provided by one of the participants in Mr. Haig's meeting with Jewish leaders, Mr. Haig said, "I would suspect if Mr. Carrington has to carry the burden of President Reagan of being held responsible in practical terms by international world opinion of the outcome of this very difficult situation, that he might be more circumspect with his adjectival pronouncements."

This caused a great stir in London. Front-page news accounts emphasized Mr. Haig's use of "Mr." instead of "Lord" and connected his "attack on Lord Carrington" with other controversies in which Mr. Haig had been embroiled in Washington.

**Carrington Visit**  
Lord Carrington visited Saudi Arabia to discuss the Saudi peace plan, which implies Arab recognition of Israel if Israel negotiates with the Palestine Liberation Organization to set up a Palestinian state on what is now the Israeli-occupied West Bank of the Jordan River.

In response to Saudi concerns that European participation in the Sinai force might appear to be an endorsement of Camp David, Lord Carrington said that the Europeans would be acting "only on the basis of seeing that Arab lands are returned to Arab countries."

A Foreign Office spokeswoman Sunday denied reports that Lord Carrington was planning to meet Yasser Arafat, the PLO leader. United Press International reported from London, "There are no present plans for Lord Carrington to meet Yasser Arafat," she said.



**IRISH CHARM** — President Reagan holds the chair of Kathryn M. Cahill, wife of the president of the American Irish Historical Society, at a dinner in Manhattan. He said Irish-Americans should pray for peace in Northern Ireland.

# U.S. Budget Choices Unchanged, But Discord Grows Over Strategy

By Steven R. Weisman  
New York Times Service

WASHINGTON — Like the events on a soap opera, the dismal economic choices confronting President Reagan last week were a familiar look: They were, in fact, the same choices of what to cut in the budget that he faced upon election a year ago. But this time Mr. Reagan is handicapped by division among his advisers and allies over what to do.

While public attention was focused on disputes involving Secretary of State Alexander M. Haig Jr., an equally fierce and increasingly bitter struggle was taking place between Treasury Secretary Donald T. Regan and David A. Stockman, director of the Office of Management and Budget.

Its focus is the rising budget deficit and the deepening recession that threaten hopes for economic recovery in 1982, an election year. Congressional Republicans, feeling directly imperiled, are balking at the second round of spending cuts Mr. Regan has proposed.

On Friday, Mr. Regan acknowledged to Republican congressional leaders that his pledge to balance the budget by 1984 should be seen simply as a goal. But for now, at least, there would be no proposals for new taxes and no deviation from the Reagan regimen of budget cuts.

**Impatience With Stockman**  
The president thereby signaled that he was siding with the Treasury secretary. Nevertheless, the White House said Mr. Regan might eventually consider some new proposals for tax increases for the fiscal years 1983 and 1984. Such is the approach advocated by Mr. Stockman — and with such zeal that some White House aides have begun to grow impatient with him.

Mr. Stockman argues that the recession is going to push the projected deficit so high — new estimates put it at up to \$100 billion — that little progress can be made on closing the gap this year or next by more cuts in social programs.

Increases in taxes on consumer items — cigarettes, liquor or energy — would be preferable, Mr. Stockman maintains.

To Secretary Regan, however, increasing taxes to close the budget deficit would itself stifle economic recovery. Proposing tax hikes now after cutting taxes a few months ago, he feels, would amount to the sort of embarrassing reversal for which Mr. Regan used to chide Jimmy Carter.

Mr. Regan is also unimpressed with Mr. Stockman's view of the deficit's economic threat. A self-described monetarist, the Treasury secretary believes inflation is caused out by deficits but by an

overly rapid growth in the supply of money. In any case, his view is that the deficit is a job best tackled by budget cuts. That, of course, is Mr. Stockman's responsibility, not his.

In the middle is a White House staff increasingly weary of the

mystical and ideological nature of the debates waged in front of the president. Last week, one such official said the administration's economic projections had been "totally unrealistic" and subject to hedging or exaggeration for political reasons.

The president is said to be enduring heated debates as Secretary Regan asserts that he must overrule his principle of refusing to balance the budget "on the backs of the taxpayers" and Mr. Stockman responds with a lecture on how Mr. Regan must close the federal deficit.

White House officials agree that the practical outcome of "sticking to our guns" is a round of tough veto and veto-override fights this

year, especially if Mr. Reagan is bent on keeping spending down to the levels he projected last March. The hope at Treasury, meanwhile, is that the economy will improve as a result of the tax cuts passed in the summer.

"I think the problem is that the naysayers are having their day," Secretary Regan said last week. "It's as though speculators in grain were to say that we're going to have a crop failure a month after the farmer has planted his seeds. How do they know? Anything can happen." At Mr. Stockman's shop this view is known as the "miracle scenario."

In the latest round, Mr. Regan had several things going for him. First was expert advice: Two groups of outsiders were brought in to tell the president that he need not worry as much as Mr. Stockman about budget deficits. Second, it would be hard for Mr. Regan to muster support in Congress for tax increases in a lagging economy.

There was also the inertia factor. When a president hears conflicting advice, his tendency often is to listen to the adviser who tells him to do nothing.

## Conservative Lawyer May Be Named To Oversee U.S. Funds for Legal Aid

WASHINGTON — The White House has tentatively chosen Ronald A. Zumbro, a conservative Republican, to be chairman of the board of the Legal Services Corp., which distributes U.S. government funding for legal aid for poor people, according to sources in the White House and the legal aid community.

Mr. Zumbro is president of the Pacific Legal Foundation, a San Diego-based nonprofit law firm that describes itself as dedicated to the values of free enterprise, private property and limiting the role of government. He has "over worked in a legal aid program, according to a spokesman.

Mr. Zumbro was deputy director of legal affairs for the California Department of Social Welfare

for several years before he became president of Pacific Legal Foundation in 1973, according to Robert K. Best, Pacific's deputy director. In that capacity he defended the state in numerous lawsuits in which California Rural Legal Assistance and other legal aid groups attacked what they said were illegal cuts in social welfare programs by Gov. Reagan's administration.

Mr. Best said Mr. Zumbro shared the Reagan administration's view that "it's not a proper function of legal services lawyers to seek redistribution of the wealth" and pursue "social activism" through lobbying and other activities.

The White House has urged Congress, so far without success, to abolish the Legal Services Corp.

## Ottawa Delays on Constitution In Bid for Quebec's Assent

By Henry Giniger  
New York Times Service

OTTAWA — The Canadian federal government is not rushing to carry out the accord it signed Thursday with nine of the 10 provinces on a new constitution because of its hope of obtaining the agreement of Quebec, the only holdout.

The accord, by which the 114-year-old British North America Act would be transferred to Canadian control with a bill of rights and an amending procedure, is to be embodied in a resolution put before the Canadian Parliament. After approval, it would go to London for action by the British Parliament.

The resolution is being held up, probably for a week or more, while an effort is made to negotiate an accord, which is being rejected by the province of Quebec, the only French-speaking province.

Premier René Lévesque of Quebec will signal his intentions Monday when he opens a new session of the province's National Assembly. On Friday neither he, his Cabinet nor his legislative caucus appeared in a mood to compromise. On the contrary, the provincial government was said to be considering a referendum to obtain popular backing to resist the constitutional changes.

There were moderate voices, including some editorial writers, urging Quebec not to burn its bridges to the rest of the country. Some critics of Mr. Lévesque suggested that he did not want a settlement because his ultimate goal is independence and consequently the present conflict suited his purposes.

But Mr. Lévesque has insisted that he bargained in good faith for a new federal system but that he was abandoned by the seven provinces with which he had formed a common front against Ottawa. That front was shattered Wednesday night when the other provincial leaders started bargaining with Ottawa behind his back, he says.

Mr. Lévesque's minister of inter-governmental affairs, Claude Morin, was so incensed at this abandonment that he wrote a letter to his seven colleagues in the other provinces. "An undeniable fact remains," Mr. Morin told them. "We are faced with a situation where a federal government which is majority English-speaking, associated with nine English-speaking provincial governments, will seek another English-speaking government in London to reduce without its consent the integrity and authority of the only French-speaking government in North America."

The main point of contention is a section of the proposed bill of rights that guarantees to the English-speaking minority in Quebec and the French-speaking minority in the other provinces the right to education in their own language. Quebec now has a language law that, to help ensure the primacy of

French, bars English-speaking Canadians outside Quebec from sending their children to English schools if they move to the province, except in special circumstances.

Spokesmen for the federal government indicated Friday that Quebec would have to give the same guarantees to its English minority that the other provinces said they were prepared to give to their French minorities. The main issue appears to be one of principle — the breach in Quebec's previously exclusive right to legislate in educational and cultural matters.

Although Ottawa is insisting on the principle of equal treatment for language minorities, it has allowed a large loophole in the proposed bill of rights that would allow some of the other provinces not to provide schools for their French-speakers, who number about a million, mostly in Ontario and New Brunswick. The loophole involves a stipulation that minority-language schools would be offered where numbers warranted them.

## Khomeini May Step Down In 2 Months, Paper Reports

The Associated Press

LONDON — Iran's revolutionary leader, Ayatollah Ruhollah Khomeini, may step down within the next two months, The Sunday Times reported.

Citing reports reaching London from Tehran, the paper said that Ayatollah Khomeini is "considering retiring from active politics" before the end of the year. Ayatollah Khomeini, who will be 82 on Thursday, has already informed the country's political leaders of his decision, the Sunday Times said.

Sources close to the spiritual leader, the paper added, believe he plans to hand over power to another ayatollah, Hussein Ali Montazeri, before the third anniversary of the Iranian revolution in February.

However, in Beirut, a source close to Ayatollah Khomeini's office said by telephone from Tehran that the ayatollah is in "great physical condition" and has no intention of handing over his powers.

The source, who declined to be named, said that there is no sign that the ayatollah wants to retire from active politics. He denied the Sunday Times report that Ayatollah Khomeini was preparing to step down as Iran's supreme religious and political authority in favor of Ayatollah Montazeri.

**Speculation on Reason**  
The Sunday Times speculated that Ayatollah Khomeini's decision may have been prompted by his apparent deteriorating health and a "growing fear that his assassination would plunge the republic into greater chaos" than at present.

Scores of people have died in mounting clashes between Iran's fundamentalist government and other leftist and Kurdish opponents of the regime.

The Sunday Times said that although Ayatollah Khomeini is in generally good health, he is said to be subject to increasing tiredness and has kept him politically inactive in recent weeks.

The paper said there are also strong rumors that Ayatollah Khomeini has heart trouble.

The Sunday Times claimed that security around the aged ayatollah has been stepped up to protect him from possible assassins, particularly the Mujaheddin Khalq, a leftist Islamic guerrilla group backing writer President Abolhasan Bani-Sadr, who had fled from the coun-

try and is currently a resident of France.

**Clashes in Bukan**  
BEIRUT (AP) — Kurdish rebels and leftist opponents of Iran's fundamentalist government battled in the northwestern town of Bukan, leaving scores of people dead in streets, public baths, cafes and crowded bakeries. Iran's state-run media reported during the week-end.

Tehran radio and the official Pars news agency said Saturday that the attackers were repulsed in heavy street-to-street fighting in the west Azerbaijan town, located about 450 kilometers (330 miles) northwest of the Iranian capital.

The radio, monitored in Beirut, said corpses littered the streets as government forces recorded 74 casualties between killed and wounded, and that "counter-revolutionaries suffered scores of dead."

Neither the broadcast nor Pars gave specific casualty figures. It was the worst reported fighting in the Kurdish-populated northwestern regions of Iran in several months.

## Civil Rights Groups Oppose Reagan Voting Act Changes

By Reginald Stuart  
New York Times Service

ATLANTA — Dozens of organizations that support extension of the Voting Rights Act have said that President Reagan's proposed changes in the law would threaten the rights of millions of minority voters.

The organizations issued a joint statement here Saturday at a break in the annual meeting of the Southern Regional Council, a group formed in the 1940s to promote equal opportunity in the South.

The statement objected to the president's declaration Friday that he favored extending the act for 10 years but would support amendments making it easier for states and counties to be released from certain requirements of the law.

The groups asserted that Mr. Reagan had "proposed an empty shell of what has been the most effective civil rights law of this century."

**Genscher on Saudi Plan**  
BOHN (Reuters) — West German Foreign Minister Hans-Dietrich Genscher said Sunday that his country believed the Saudi peace plan was a realistic starting point for a Middle East peace settlement.

In an interview with Egyptian television, Mr. Genscher said: "We believe that Crown Prince Fahd's eight-point plan is a very realistic starting point, which agrees in many areas with the position of the European Community."

The foreign minister said that Bonn supported participation by other EEC countries in the Sinai force. Officials said West Germany was prevented by its constitution from deploying troops outside the NATO area but was looking at other ways of supporting the force.

**British Envoy's Comments**  
BEIRUT (Reuters) — Britain's ambassador to Lebanon was quoted Sunday as saying that the Camp David peace process was "finished, more or less."

The Beirut English-language weekly Monday Morning reported Ambassador David Roberts as saying in an interview that the way forward lay in a synthesis of Saudi Arabian and West European proposals.

Key enforcement provisions of the Voting Rights Act of 1965, which was extended in 1970 and 1975, are scheduled to expire next August.

In supporting an extension, Mr. Reagan said he wanted to retain a requirement that people who file civil suits charging their voting rights were denied must establish that there was an intention to discriminate.

In doing so, Mr. Reagan rejected a less stringent standard set forth in a bill to extend the law that was passed by the House of Representatives last month. The standard, favored by civil rights advocates, would require litigants to show only a discriminatory effect.

The president also said he would support amendments setting "reasonable" provisions for states and localities to exempt themselves from an obligation to submit all proposed changes in election laws to the U.S. government for approval.

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# U.S. Says El Salvador Government Remains Strong Despite Problems

By John M. Goshko  
*Washington Post Service*  
WASHINGTON — Despite persistent reports of concern within the Reagan administration about the civil war in El Salvador, the State Department says it considers the U.S.-supported civilian-military government to be "stronger today than it was at the beginning of the year."

Alan Romberg, a department spokesman, responding to questions on Friday about the challenge to the Salvadoran government from leftist guerrillas, said: "Politically, it has held together despite intense pressures from the extreme right and extreme left and has emerged more unified and stronger than ever."

Mr. Romberg's comments came amid reports that the administration believed the war had reached a stalemate and that the government headed by President José Napoleón Duarte could be defeated unless the United States took new steps to bolster it.

In recent interviews, Secretary of State Alexander M. Haig Jr. has said that a stalemate existed and that the Duarte government needed more U.S. aid.

Still Improving  
However, in the latest interview, published Friday by the New York Times, Mr. Haig stressed that no decisions have been made about the size and nature of new aid or possible measures to combat the flow of outside military assistance to the guerrillas.

Mr. Romberg said the military situation "is stalemated in the sense that neither side can win in the short term, but it is our view

that the Salvadoran military capability continues to improve."

However, Mr. Haig, in a recent interview with *Newsweek* magazine, gave a gloomier assessment, saying "stalemate could ultimately be fatal because Salvador is experiencing grievous economic difficulties" combined with "continual fighting and bloodshed."

Since last summer, administration officials dealing with Central America have expressed disappointment at the Duarte government's inability to end the guerrilla threat.

Some reports, including one published last week by *The Times*, have said Mr. Haig has been pressuring the Defense Department to consider possible military action within El Salvador and against Cuba and Nicaragua, which have been accused of aiding the guerrillas.

## BBC Plans to End 3 Transmissions

*The Associated Press*  
LONDON — The British Broadcasting Corp. will end its Spanish-language transmissions to Europe and its services in Italian and Maltese on Dec. 31, a spokesman has announced.

The services, which began 40 years ago, are being discontinued because of budget cuts.

The hours of operation of two other services are to be cut in half on March 31, the spokesman said Thursday. The two services, which will be reduced to eight hours a week each, are the Portuguese transmission to Brazil and French transmission to Europe.

However, the Pentagon is understood to have resisted a significant broadening of the U.S. involvement on the ground that it might provoke Soviet retaliation in another part of the world and would probably trigger intense opposition from the American public and Congress.

### Vote by Panel

There was a new sign of congressional restiveness over the administration's policy last Thursday as the House Subcommittee on Inter-American Affairs voted 9-0 for a resolution urging President Reagan to "press for unconditional discussions" among the warring Salvadoran factions to help guarantee open elections in March.

The bipartisan move was viewed as a call for the administration to ease the Cold War attitudes it has projected into the Salvadoran situation and encourage more flexibility in dealing with the left, which supports the guerrillas.

Mr. Romberg insisted Friday that the resolution was in accord with the administration's policy of urging the guerrillas to stop fighting and cooperate in the electoral process.

Sen. Christopher J. Dodd, Democrat of Connecticut, called Friday for Mr. Haig to appear before the Senate Foreign Relations Committee to explain his interview statements and administration policy toward El Salvador, Cuba and Nicaragua.

Sen. Dodd contended that Mr. Haig, in testimony March 19, assured him that the committee would be consulted before the administration undertook major new initiatives in the Salvadoran situation.



A Colombian guerrilla leader, identified as Jaime Capera Diaz, executing a man with his hands on his head while the body of a second victim lies in the foreground. The photo was taken by John Jairo Alzate, one of two newsmen to witness the slayings.

## 2 Captured Journalists in Colombia Witness Executions by Leftist Rebels

*United Press International*  
BOGOTA — Two journalists who were captured by leftist guerrillas in a remote section of Colombia reported how they witnessed and photographed the execution of two suspected army spies by the rebels.

The victims were forced to lie on the bank of a river in Caqueta Territory, east of the Andes mountains, and were shot to death with automatic weapons, the journalists, both Colombians, said Friday.

The slain men were suspected army infiltrators who had been held for four months by the guerrillas. They were tried by the insurgents and sentenced to death, the journalists said.

"What I saw there will stay in my memory forever," said John Jairo Alzate, a photographer for *El Tiempo* newspaper of Bogota. Mr. Alzate was permitted to witness and photograph the killings carried out Oct. 31 by guerrillas of the April 19 Movement, known as M-19. Another hostage, Eduardo Carrillo, a reporter for *El Espacio* newspaper of Bogota, also was a witness. Both men were later freed.

Mr. Alzate and Mr. Carrillo were among four journalists seized by the guerrillas on Oct. 27. The other two newsmen are still being held by the guerrillas.

### Italian Newspaper Strike

*The Associated Press*  
ROME — Unions representing journalists and printers have called a one-day nationwide strike next Friday to protest plans by Rizzoli, Italy's largest publisher, to close three newspapers, including the national tabloid *L'Espresso*.

# Mexico Communists Disband Party, Join New Leftist Opposition Front

By Marise Simons  
*Washington Post Service*

MEXICO CITY — After more than 61 years of public and clandestine life, Mexico's Communist Party, one of the world's oldest, has formally dissolved. But although it has scrapped its name, it is merging with four smaller parties in a new leftist opposition front.

With this move, much of Mexico's scattered left appears to accept what its more unified Central American counterparts have recognized for several years — that squabbles over doctrine and tactics among Marxists may go on indefinitely, but that only a coalition will ever provide the chance to challenge the status quo.

In contrast with the armed left in the neighboring countries, however, Mexico's Communists and Socialists have chosen the electoral route, and the new leftist coalition will run its first, and still unnamed, candidate in the presidential election next June.

The four other groups in the new coalition — the Revolutionary Socialists, the Socialist Unity and Action Movement, the Popular Action Movement and the Mexican People's Party — were not officially recognized by the government as parties.

**Poses No Threat**  
The Communists are expected to dominate the coalition. While giving Mexico's left a new impetus, it hardly poses a threat to mainstream politics.

Mexico's government machine, known as the Institutional Revolutionary Party, has ruled the country since 1929, and there appears to be little doubt that the party's official candidate, Miguel de la Madrid, will become president Dec. 1, 1982.

The sheer strength of the political establishment traditionally has discouraged other serious bids for power both from the right and the left. But the government, alarmed by a spell of guerrilla activities in the early 1970s and a growing abstention rate, decided to modernize the nation's bureaucratic politics and began to encourage its opponents by offering guaranteed seats in Congress for registered political groups.

This permitted the Communist Party to come in from the cold, and four years ago it was given legal registry. It now has 19 of the 100 lower house seats that are reserved for minority parties. There are 300 other seats, most of which are held by the ruling party.

Although small, the Communist Party has long been the most coherent and best organized group on the Mexican left. Since its creation in 1919, it has been forced underground on and off, but it played a crucial role in the 1930s

in forming the organized labor movement.

The official party, however, co-opted both the labor and peasant movements, leaving the Communist Party isolated and little more than a debating society of intellectuals. It became active again in the late 1950s.

Other leftists, regarding the Communists as dogmatic, abstemious and Moscow-oriented, founded some of the small new parties that are now participating in the coalition.

It was Arnaldo Martinez, secretary-general of the party at its dissolution, who tried for the last decade to unite the left and attempted to give the Mexican Communists an image of being more pragmatic, critical and independent of Moscow, along the lines of the Communist parties of Italy and Spain.

The party has claimed 112,000 adherents in a population of 72 million. In its first official run, in the 1979 congressional elections, it got 704,000 votes or 5.4 percent of the national total.

In Mexico City alone, it officially got 14 percent of the vote.

The Communist Party and its new partners, however, may have lost their immediate chance to en-

erge as a significant political force last month when one important group suddenly pulled out of inter-party unity talks.

Heberto Castillo, a former political prisoner, university professor and head of the Mexican Workers Party, called the Communist intransigent because they insisted on imposing their dogma and their structure on the new coalition.

Mr. Castillo, the country's most prestigious non-Communist leftist leader, had been expected to put an appealing face on the new coalition by running as its presidential candidate. In response to Mr. Castillo's withdrawal, the Communist Party called him sectarian and bureaucratic, and said that the new grouping would be formed anyway.

Government politicians, at first put off by the unity talks, now appear reassured that the leftist front will not embarrass them with a big vote next year. But a government official said, "The truth is, we don't really know how large the left is or can be in this country. There are millions of Mexicans who don't vote. So far, abstention has worked in our favor. The question is how much of that the left can pick up."

## 13 U.S. Aides in Managua Linked in Local Press to CIA

By Alan Riding  
*New York Times Service*

MANAGUA — A pro-Sandinista newspaper has published the names of 13 persons who it said were Central Intelligence Agency members now attached to the U.S. Embassy here, prompting a strong protest from the Reagan administration.

The newspaper, *Nuevo Diario*, listed a total of 40 persons who it said were U.S. intelligence officers who had worked in Nicaragua in recent years. It gave a brief biography of each of the 13 persons who it said were CIA employees still assigned here.

The chargé d'affaires at the U.S. Embassy, Roger R. Gamble, delivered a strong oral protest to the Nicaraguan authorities on Friday. He described the publication as "an act of provocation" and warned that several of those named had already received death threats.

The Nicaraguan ambassador to Washington, Armo J. Cruz, was called in by the State Department on Friday and, according to U.S. officials, was reminded that the Nicaraguan government was responsible for the safety of all foreign embassy personnel stationed here.

The incident was seen here as marking a low point in U.S.-Nicar-

agua relations, which have deteriorated steadily since President Reagan took office last January.

In recent months, the United States has accused Nicaragua of arming Salvadoran guerrillas and unnecessarily building up its own army. Many Nicaraguan officials are convinced that the Reagan administration is intent on undermining the two-year-old Sandinista revolution.

U.S. officials here linked Friday's publication in *Nuevo Diario* to last month's visit here by Philip Agee, a former CIA agent who has frequently published the names of people identified by him as CIA employees stationed in different regions of the world.

"The Nicaraguan government's support for Agee while he was here gives us grounds to protest to them that their willingness to compromise his activities led to this," an official said. "And this is a provocative act."

The official said that Washington was considering temporarily evacuating the families of embassy officers named Friday, but that those on the list would not leave.

Nicaraguan officials denied Friday that the publication had been coordinated with Mr. Agee. They said that *Nuevo Diario* had merely published a news agency report from Costa Rica on its own merits.

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# Albanian Communists Re-elect Party Leader

VIENNA — Albania's 73-year-old Communist Party chief, Enver Hoxha, has been re-elected at the end of the eighth party congress in Tirana.

Mr. Hoxha came to power in 1944 as head of an Albanian provisional government. He has headed the party since 1943, longer than any other ruling Communist leader.

A report by the Albanian news agency said that the election of 81 members and 40 alternate members to the party's Central Committee marked the "successful conclusion" of the party congress.

The membership of the new ruling Politburo indicated that Mr. Hoxha continued to have firm control.

The number of Politburo members was increased from 11 to 13. Two members — Spiro Koleka and Haki Toska — were dropped. Newcomers were Hajredin Ceku and Muho Asllani, while Lenka Cuko and Simon Stefani were upgraded from candidate members.

Mr. Stefani was also made one of four Central Committee secretaries, replacing Prokop Milla.

At the party congress, Mr. Hoxha promised that his country would continue to follow a "true Marxist-Leninist course" and that industrial development would have

precedence over the consumer industry.

### Pravda Call

MOSCOW (AP) — Pravda on Sunday repeated Kremlin calls for warmer ties with Albania, which veered from Moscow's line 20 years ago.

An article in the party daily, signed by Nikolai Yurchenko, congratulated Albanian workers on the 40th anniversary of the nation's Communist Party.

"The Soviet Union, as is well known, consistently stands for normalization of Soviet-Albanian relations, broken off at the beginning of the 1960s," the article said, restating a Kremlin position set forth years ago.

Albania split with the Kremlin over ideology in 1960 and withdrew from the Warsaw Pact in 1968 after the Soviet invasion of Czechoslovakia. It subsequently drew closer to China, but attacked Chinese policies following the death of Mao in 1976, and since then has pursued an independent course.

### Belgrade Charge

BELGRADE (AP) — The Yugoslav news agency accused Mr. Hoxha of interference in Yugoslavia's internal affairs in a recent call for greater political autonomy for ethnic Albanians living in Yugoslavia's Kosovo province.

"One cannot escape the impression that Hoxha advocates a sharpening of Yugoslav-Albanian relations," the agency said Saturday. "He is trying to exert pressure on Yugoslavia ... which is inadmissible."

### Fatal Blast Blamed on ETA

VITORIA, Spain — A powerful explosive device in a flashlight that seriously injured a paramilitary Civil Guard and blew up an electric transformer Saturday night in the Basque town of Labastida was the work of the Basque separatist group ETA, police said Sunday.

# Solidarity Official Foresees Regional Strike Settlement

By W. Joseph Campbell

WARSAW — A labor leader expressed optimism Sunday that a settlement can be reached soon in the walkout by 150,000 workers in Zielona Gora, the most extensive regional strike since the Solidarity trade union movement was formed in August of last year.

Resolution of the 18-day-old dispute would considerably reduce Poland's lingering labor tensions. About 160,000 workers were on strike in the country Sunday, compared with more than 250,000 a week earlier.

"It seems that everything can be settled" promptly, said Stanislaw Szymkowiak, a strike committee member in Zielona Gora. Although the government has said that further bargaining would be futile, Mr. Szymkowiak said, "we have some unofficial channels for the talks that could solve everything."

### As Soon as Monday

He said he was hopeful that there could be a resolution as early as Monday in the dispute prompted by Solidarity's demand for the dismissal of state farm managers, who the union calls incompetent.

The recent surge of strikes began casing early last week when walkouts were called off in Tarnobrzeg and Zyrardow.

The main event in raising guarded hopes of solving the country's problems was the unprecedented meeting last Wednesday of Poland's three most influential leaders — the premier and Communist Party leader, Gen. Wojciech Jaruzelski; the Solidarity union chief, Lech Walesa; and the Roman Catholic primate, Archbishop Jozef Glemp.

Their talks were followed by Solidarity's announcement that union and government would be-

gin extensive talks this week on Poland's social and economic difficulties.

The hints Sunday of resolution of the strike in Zielona Gora, a heavily agricultural province on Poland's border with East Germany, came after both sides had warned that tensions were mounting dangerously.

There were, meanwhile, encouraging indications in the coal miners' dispute in Sosnowiec, where strikers have been protesting a chemical-throwing incident at a mine shaft last month in which more than 60 people were hospitalized.

Striking miners have demanded that a nationwide televised news conference be held before back-to-work talks can be held. Two proposals for satisfying that condition have been presented.

### Pope to Visit Poland

VATICAN CITY (UPI) — Pope John Paul II accepted an invitation from Archbishop Glemp Saturday to visit his native Poland in August for the second time since becoming head of the Roman Catholic Church.

"The invitation corresponds to my most profound desire that I cannot resist," Pope John Paul said in Polish to 4,000 Poles at an audience. He had visited his homeland in June, 1979.

The pope is expected to be in Poland on Aug. 26, the day the country celebrates the 600th anniversary of its most holy shrine, the Black Madonna at Czestochowa. Vatican sources have said that several times in the past months the pontiff has expressed a desire to be in Poland on the anniversary.

Archbishop Glemp arrived in Rome Thursday to brief the pope on last Wednesday's Warsaw meeting.

# Doubt Cast on Eva Braun Death Study of Dental Records Questions Soviet Account

LONDON — New dental evidence leaves open doubt that Hitler died by his own hand in his Berlin bunker, but it strongly suggests the body found next to his was not that of his longtime mistress, Eva Braun, a British medical journal reports.

Soviet soldiers who captured the German capital in the spring of 1945 came upon 13 bodies near the bunker, and since then Soviet authorities have maintained that the bodies of Hitler and Miss Braun were among them. The Russians have backed the contention with autopsy records.

The British Medical Association News Review, in its November issue, says that the Soviet evidence on Hitler matches the Nazi leader's known dental records on 26 separate points, including a unique "window crown" on one tooth and bridge-work in Hitler's lower right jaw.

But, as to the former photographer's assistant who was married to Hitler the day before he died, "the odontological data virtually eliminate the previous assumption that [the body found by the Russians] was the remains of Eva Braun."

The medical journal points to evidence that a dental bridge made for Miss Braun and used to link the corpse with her had in reality never been installed in her mouth, that several teeth found with the body showed extensive cavities while Miss Braun's dental records showed the same

teeth cavity-free, and that two cosmetic "Hollywood crowns" — made of fire-proof porcelain — should have been found with the body but were not.

The journal also said the woman whose remains were found by the Russians had suffered extensive shrapnel wounds and had hemorrhaged. Miss Braun is believed to have taken poison.

The evidence, it said, means "the charred woman's body found next to Hitler in the shell-crater that served as a grave ... cannot positively be identified."

According to the medical journal, a team led by Prof. Reider F. Sognnaes of the University of California, Los Angeles has been studying World War-II era records for 10 years in an effort to substantiate the Soviet conclusion.

"The Russian identification would never stand up in court," the BMA News Review quoted Dr. Sognnaes, a specialist in oral biology and anatomy, as saying. Dr. Sognnaes speculates that Miss Braun still is buried in the rubble of the chancellery, now part of East Berlin.

Or, he says, "it is possible Eva Braun escaped — after all, there were a number of men in the bunker unaccounted for who could have helped her. No one actually witnessed her death and there are inconsistencies in the accounts of those who supposedly took Eva's body outside the bunker."

# Blunt's Statements on Spy Role Questioned

LONDON — Anthony Blunt, the former art adviser to Queen Elizabeth II who was publicly exposed in 1979 as the leader of a Soviet spy ring, has admitted he met fellow spy Kim Philby in 1951, casting doubts on testimony that he ended his espionage activities in 1951. The Sunday Times said.

The newspaper said the meeting took place in Beirut at the critical time prior to Mr. Philby's defection to Moscow, calling into question Mr. Blunt's motives for the encounter.

"It raises the strong possibility that Blunt went to Beirut to persuade Philby to defect to Moscow like his predecessors, Burgess and Maclean, a decision Philby put off for another 18 months," the newspaper said.

It said British counter-intelligence had been unaware of the meeting, that now casts doubt on the validity of Mr. Blunt's previous testimony that he ceased his espionage work in 1951.

In a statement issued through his lawyer Saturday, Mr. Blunt denied he had been "activated" by the Soviets to persuade Mr. Philby to go to Moscow. The statement said he had not exerted "pressure" on Mr. Philby during their meeting which was described as "chance."

The Sunday Times, however, openly doubted Mr. Blunt's explanation, saying that the meeting came just after the arrest and sentencing of another Soviet agent, George Blake.

"The Blake arrest meant that the British network ... was vulnerable, since Blake was said to be confiding a great deal to his M15 interrogators," the newspaper said. "It was vital that Philby not face

interrogation by British intelligence in London if both their skins were to be saved."

Mr. Blunt, thought to be the fourth man in a spy ring that included defectors Mr. Philby, Donald Maclean and Guy Burgess, confessed to spying for the Russians in 1964 but was granted immunity from prosecution. He was stripped of his knighthood by the queen 15 years later when his activities were publicly exposed in a book.

Mr. Maclean and Mr. Burgess fled to the Soviet Union in 1951 after being warned by Mr. Philby they would be arrested.

The Sunday Times last week revealed that a wartime military officer, Leo Long, had also been a member of Mr. Blunt's wartime spy ring.

The string of disclosures has raised questions of the effectiveness of Britain's intelligence operations. Prime Minister Margaret Thatcher is expected this week to make a parliamentary statement on Mr. Long's confession.

# IRA Wing Condemns Anglo-Irish Council

From Agency Dispatches

BELFAST — Sinn Fein, the political wing of the Irish Republican Army, has condemned an agreement between Britain and Ireland to set up a joint council to help end the conflict in Northern Ireland. It said the accord would increase British influence in Ireland.

Sinn Fein said Saturday that the Anglo-Irish Intergovernmental Council announced by Irish Premier Garret FitzGerald and British Prime Minister Margaret Thatcher after talks Friday in London would increase cross-border collaboration between the Irish Republic and British security forces in Northern Ireland and assist the drive against IRA guerrillas fighting to end British rule in Northern Ireland.

Reaction from Northern Ireland Protestants to the council also was hostile. But moderate Roman Catholic political leaders in the province spoke in favor of it.

In another development in Northern Ireland, a bomb detonated by remote control Saturday ripped through the center of the border village of Crossmaglen, injuring three British soldiers on foot patrol and six civilians, the army said. The IRA claimed responsibility.

### Occupation by Protestants

Hundreds of masked Protestants occupied the County Antrim villages of Kells and Connor for about an hour early Saturday in a sharp warning to the British government that hard-line Protestants were ready to resist unification of the province with the predominantly Roman Catholic Irish Republic.

After sealing off the two towns with roadblocks soon after midnight, 400 men wearing camouflage jackets paraded in military formation before leaving.

Police rushed to the villages in force but did not intervene. "There

was no trouble and the men were unarmed," an officer said.

The Rev. Ian Paisley, militant Protestant leader of the Democratic Unionist Party in Northern Ireland, condemned the intergovernmental council as a "fresh attempt to hand us over to the enemy." He promised "relentless and unqualified opposition."

The council, to be composed of government ministers from London and Dublin, was labeled "a monstrosity" by James Mo-

# FAO Sees Food Situation Improving Worldwide, but Only for Short Term

From Agency Dispatches

ROME — The outlook for the world's starving people has improved in the short term but overall prospects remain bleak, the UN Food and Agriculture Organization said Sunday.

In a document presented to the opening of the FAO's 21st biennial conference, the agency said that although the immediate situation was noticeably better, some regions of the world still suffered grave shortages.

"Food production in Africa and the Near East has been disappointing in 1981 and has failed to match the increase in population," the document said. "Agricultural trade is adversely affected by the current world recession ... In other cases protectionism is inhibiting [its] growth."

The document updated FAO's analysis of the state of world food and agriculture prior to the debates on the amount of money the agency is to receive in the next two years and the policies it should follow in its aid programs.

More food aid was badly needed but real levels of support were in decline, the report said. In the case of the international emergency food reserve, contributions this

# Libyans Are Sending 10 Transports a Day To Fly Troops From Chad, Residents Say

From Agency Dispatches

NDJAMENA, Chad — Libya has sent up to 10 planes a day to fly its troops out of Chad before the arrival of an African peace-keeping force, residents near Ndjamena airport said Sunday.

A government spokesman said he was convinced the Libyans were pulling their troops out of all parts of the country, not just from the capital, before the African force arrived.

The residents said Soviet-built cargo planes were landing and taking off day and night, ferrying the Libyans out.

Gally Gatta, minister of state in the president's office, told journalists that the Libyans had already left Ati, in eastern Chad, and they would be gone from Abéché, also in the east, within the next few days.

But diplomats in Ndjamena said complete withdrawal of the estimated 4,000 to 10,000 Libyan troops would probably take from three weeks to a month.

In Lagos, diplomatic sources said President Gowon Oueddei of Chad had told President Shehu Shagari of Nigeria that he feared civil war could break out anew in Chad if the peacekeeping force did not arrive soon.

### Anxiety Voiced

The sources said Saturday that Mr. Gowon stopped over in Lagos on his way home from the French-African summit in Paris specifically to voice his anxiety over delays in the formation and dispatch of the force to Chad.

Ishaya Adu, Nigeria's foreign minister, said Sunday that as many as 5,000 African soldiers would

take part in the Organization of African Unity's six-month force, which is to be sent to Chad later this month.

The Nigerian foreign minister has been holding talks here on the planned force with President Daniel Arap Moi of Kenya, the current OAU chairman.

### 2 Nigerian Battalions

He confirmed that Mr. Gowon had told Mr. Shagari that it was vital to organize the force quickly to prevent a resurgence of civil war over that Libya is withdrawing its troops from Chad.

Mr. Adu said the Nigerian Army was thinking of sending two battalions — a total of 2,000 men

— as its part of the OAU force. He said he understood that Benin, Gabon, Senegal, Togo and Zaire had agreed to contribute about 600 troops each.

Earlier reports indicated that no more than 3,000 troops would be sent to Chad, where a fragile peace has prevailed since Libyan troops intervened last year on President Gowon's side to help him drive rebels led by former defense minister Hissène Habré out of the capital of Ndjamena.

Mr. Adu confirmed that France had offered to provide logistical and other assistance for the African force. But he said Nigeria had made it clear that it did not need such assistance for its own units.

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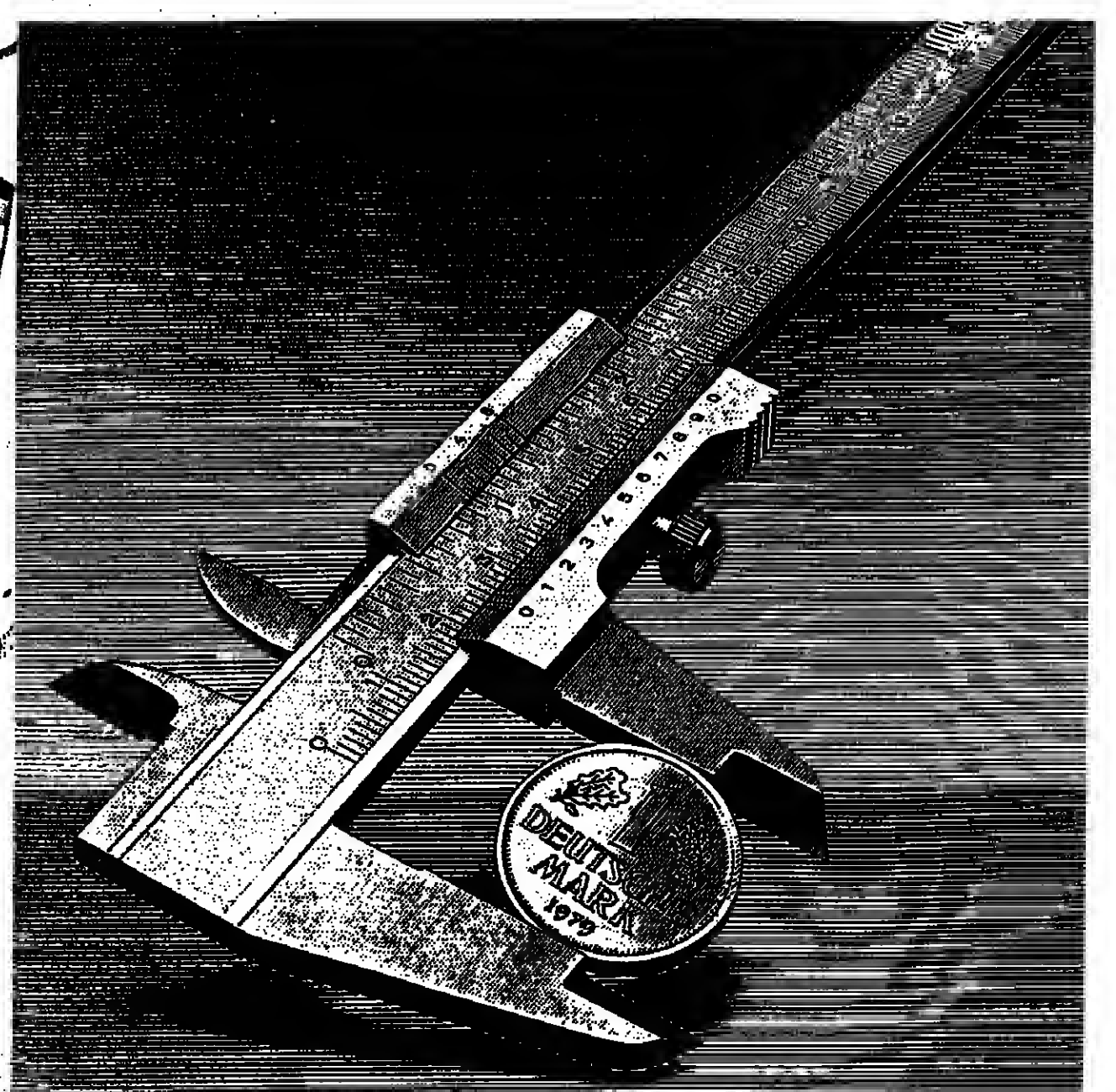


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## The Vanishing Topsoil

The swiftly growing demand for American agricultural exports, while contributing more and more to the trade balance, has set American farm policy on a dangerous course. Larger and larger harvests, that both meet and require larger and larger exports, require farming practices that are destroying the resource on which all farming depends — the topsoil. For every bushel of corn harvested in Iowa these days, two irreplaceable bushels of soil are lost.

What is happening is no secret. Since the spring of 1977, when dust storms reminiscent of the 1930s swept across the Great Plains, a stream of studies and reports has documented the dimensions of the trend. Secretary of Agriculture John R. Block understands the threat, but economic demands — to keep revenues up, and the budget down — are forcing him to perpetuate the contradictory policies.

Mr. Block recently told Congress that erosion, caused in large part by foreign demand for farm products, is already sharply reducing agricultural productivity and will grow much worse unless conservation programs are greatly expanded. When he testified, Mr. Block was just back from a foreign trade promotion trip that included a visit to woe the newest American agricultural customer, China. Mr. Block said, "could be our biggest market someday."

Soil erosion is difficult to take seriously when year after year, weather permitting, U.S. farmers produce record harvests. Yet experts agree that a dangerous loss in soil productivity is under way; it is only temporarily masked by heavier use of fertilizers and pesticides.

The numbers are bleak. It takes nature 100 to 1,000 years to produce an inch of topsoil, and on much of American cropland, soil is being lost at the rate of one inch every 15 years. About six inches of topsoil are necessary for commercial farming, Iowa, the heart of the world's breadbasket, once had 14 inches of topsoil. Many parts of the state are down to about 6 inches.

Soil erosion can be controlled, but conservation measures are very expensive. While acknowledging the need for a much greater effort, Secretary Block did no more than propose a new program combining existing funds into block grants. Most farmers do not have the necessary cash. Those who do tend to be large landowners who do not live on their land and who are not interested in what the land will be good for years from now. Meanwhile, the search for export markets to keep surpluses down and prices up pushes farmers to plant on land that is more vulnerable to erosion. Federal policies are encouraging the practice by providing disaster aid that removes the risk for farmers who plow up these marginal acres.

The specter of soil erosion poses one more aching problem for a Congress struggling to control spending. With badly needed social programs being cut, there seems little room for an expensive new program, one whose effects will be felt in the future only. But if room cannot be found, the question must be asked whether in the not too distant future the country will discover to its horror that one of its greatest sources of strength has been irreparably damaged.

THE WASHINGTON POST.

## Soviet Nuclear Deceit

It turns out that the Soviet submarine that ran aground near Sweden's major naval base, miles inside Swedish territorial waters in a restricted military zone off the Baltic Sea, was carrying nuclear weapons. This was established by measurements of radiation escaping from the errant sub, an old but still serviceable model with torpedo bays. The Swedes made this alarming information public in the report they issued as they freed the sub. The Kremlin's refusal to clarify Swedish inquiries into the matter implies, an official announcement said, "that the Soviet government has been unable to deny the presence of nuclear weapons on board the submarine."

So the Swedes have now certified that Moscow is a nuclear sneak. This is a useful demonstration in more ways than one. It shows, first of all, how easy it is for the Soviets to be hypocrites. They have been running around northern Europe for some years suggesting the establishment of a Nordic nuclear-free zone, whatever that might mean. This is in addition to their traditional professions of respect for other nations' territorial sancti-

ty. Not only have they been caught flagrantly violating the sovereignty of a nearby, friendly, neutral country, they have been caught making a nuclear penetration into the non-nuclear country that is in the heart of the region they wish formally to de-nuclearize.

Can Americans be allowed a passing snort of satisfaction at seeing the Soviet Union embarrassed in this fashion? The United States is continually being taxed in Europe, and perhaps never more than now, for its nuclear ways. The common implication, and sometimes the direct charge, is always that the United States is somehow foisting its nuclear weapons upon the alliance strictly for (unsavory) reasons of its own. In fact, it has yet to be shown that the United States has ever deployed nuclear weapons in Europe other than on terms mutually agreed on with its allies. The current debate over theater nuclear forces is a debate precisely about those terms. It is a convenient moment for European public opinion to be instructed in the ways of the other side.

THE WASHINGTON POST.

## On Taxes and Deficits

High interest rates and the recession they induced have created a healthy crisis for Reaganomics. The administration can cut taxes and increase military spending, but it cannot then shrink the deficit enough to let the Federal Reserve relax on interest rates. The current deficit is climbing toward \$100 billion. Even after the recession lifts, deficits are destined to grow rather than disappear by 1984 as at first promised.

The 1982 deficit is something of a blessing. It will speed up recovery from recession. But large 1983 and 1984 deficits will haunt that recovery, threatening wild inflation or recession-bound interest rates. So the president's men are locked in anguished debate: How will they ever produce the Reagan boom?

Budget Director Stockman thinks it's time to abandon the faith that 1981 tax cuts will produce a timely boom to refill the federal coffers. He wants to plan now for a tax increase of \$60-\$80 billion, while pressing Congress to cut the budget again by about the same amount. Treasury Secretary Regan, however, clings to the old religion. He thinks the tax cuts of 1981 will bear full fruit in 1983-84 and fears that any reverse of direction would only stall the recovery. He would keep asking for more budget cuts and settle for a trickle of excise tax increases.

The president indicated Friday that he

leans toward the Treasury, whose plan has the attraction of not hurting Republicans who run for Congress next year with talk of tax increases. But if he delays too long, he could lose all chance of rescuing his first-term economic performance.

The Treasury's strategy can never shrink the deficit enough to restrain interest rates. Trying to recover \$200 billion more through spending cuts by 1984 would destroy not only the safety net for the poor but the social fabric itself. The Treasury says economic growth will then save the day. But that is the same wishful thinking that forecasts buoyant growth for this period of recession.

President Reagan can forget about 1982; the recession makes the pending deficit bearable, even desirable. But come the recovery, he will have wished he had listened to Stockman. If election year jitters prevent definition of a credible tax strategy in the next few weeks, interest rates will start climbing again right along with production in mid-year.

Key Republicans in Congress want the White House to point toward substantial new revenues from taxes. Any tax increase, of course, mocks the fable that government spending has been the cause of America's economic troubles. Regan bet once on that myth, but surely once is enough.

THE NEW YORK TIMES.

## Other Opinion

### On Disarray in Washington

No one is emerging with any credit from the current Washington disarray over the politics and strategy of nuclear weapons. With President Reagan and Secretary of State Haig there is the quite serious problem of deciding what exactly they do mean through the swirling eddies of illiterate syntax. In the 15-round contest between Mr. Haig and Defense Secretary Weinberger for the chief foreign policy adviser title, there is

the problem of disentangling genuine conceptual and practical differences in nuclear theory from debating points designed to embarrass the other in public. In the case of the president himself, the fact that several of his senior officials are behaving like kids in a kindergarten brawl without his being able to get them to get back to their desks is raising rather basic questions about his managerial competence.

— From The Guardian (London).

### Nov. 9: From Our Pages of 75 and 50 Years Ago

#### 1906: Hearst Hurts Democrats

NEW YORK — Yesterday's elections were chiefly notable for the hard blow dealt Hearstism in four states and for the evidence that the Republican wave that swept the country in 1904 is receding. It is the obvious comment of political observers today that, but for the intrusion of Mr. William Randolph Hearst and his methods into the Democratic campaigns, the political ledger would today show a fair balance on the Democratic side. New York, Massachusetts and California would probably have elected Democratic governors but for Mr. Hearst.

#### 1931: Two Swanson Husbands

LOS ANGELES — Wedded, but no wife. That has been the marital status of Michael Farmer, Paris and London playboy, now definitely identified as husband No. 4 of Gloria Swanson since his marriage to the screen star three months ago at Elmsford, N.Y. Milton Cohen, Miss Swanson's attorney, said that the couple has not lived together as man and wife since the wedding. As the screen star will not be rid of husband No. 3 until tomorrow, she and Farmer plan to be remarried, Cohen said. They are believed to be hiding in some desert resort.

## Amid Washington's Sniping, Secretary Haig Is in Trouble

By James Reston

WASHINGTON — Secretary of State Haig is regarded in Washington as the most experienced member of the Reagan administration in the conduct of foreign affairs, and yet he is in deep trouble.

He is not in trouble because of differences with the White House or the Pentagon over policy. He is closer to Secretary of Defense Weinberger and the president's national security adviser, Richard Allen, on the substance of policy than were Secretary of State Vance and Zbigniew Brzezinski in the Carter administration.

He is in trouble for personal reasons. Under the political and personal pressures of his office, he has developed a pattern of losing his temper, and has raised questions about his judgment.

He is not really the cause but in some ways the victim of the Reagan style of government. Nobody in this administration has ever pretended that the president had mastered the intricate details of foreign policy. He has delegated them to members of his Cabinet and the White House staff, who compete with one another in filling the vacuum at the top by pronouncing the nation's foreign policy every Sunday morning on "Meet the Press," "Face the Nation," and other television talk shows.

This television diplomacy has alarmed Haig from the start. He is a creature of the Pentagon, where decisions are carried out by command, but is now presiding over the State Department, where decisions must be reached by consent and negotiated with Congress and the allies.

He has not proved to be very effective in this messy world of compromising with the White House, comfort-

ing Congress, reassuring the allies, or persuading the Soviets, the Israelis or the Arabs. Maybe this assignment is beyond human patience and endurance.

But in grappling with it, Haig has lost his cool. First he tried to insist on what seemed to many in Washington to be excessive control of all foreign, economic and political questions in the Cabinet, to the dismay of his colleagues, who rejected his proposals.

Then he elevated the El Salvador civil war into a major test of U.S.-Soviet relations, and discussed foreign policy in terms of military weapons, as if he were secretary of defense, which maybe he should have been, rather than as the secretary of state, whose job is to make peace.

### Why Elevate a Rumor?

This problem of his temperament and his judgment came to dramatic public notice in the last few days when he had the State Department spokesman say publicly that there was a "guerrilla campaign" by unnamed persons within the administration to get him fired.

Since President Reagan had said the day before that he supported Haig, this was very odd. Why elevate a rumor into a front-page story all over the world? Why embarrass the president, who was trying to calm things down, by insisting that there was some kind of conspiracy within the administration against him?

Making things worse, Haig then testified in Congress the next day, while the European allies were trying to deal

with big anti-nuclear demonstrations, that Washington had a "contingency plan" to explode a "demonstration" nuclear bomb in the event that the Soviets launched a conventional military attack against Western Europe.

This was immediately denied in Congress by Secretary of Defense Weinberger, who said there was no such "contingency plan," and shouldn't be. Asked about this, the White House said there was really no contradiction. Both were right, the White House insisted, since such an idea had been "suggested" some years ago but was rejected.

Reagan has dealt with all this as if it were no big deal. "Boys will be boys." Get them in the Oval Office and tell them to cut it out, and all will be well.

But, frankly, all is not well. If Reagan could read the diplomatic cables going out of Washington to the capitals of his allies and his adversaries, or even invite the honest opinions of his friends, he would realize that he is not at the end but merely at the beginning of a foreign policy crisis abroad — as well as an economic crisis at home.

As The Wall Street Journal, no enemy of Reagan, said recently, these questions of temperament and judgment "underscore the secretary's feelings of insecurity and 'tend to foster a concern that he is unsteady.'"

So the president may have told Haig and Allen to cut the sniping, and asked everybody to settle down and forget it. But the allies are not forgetting it. They are increasingly going off on their own, worrying about the judgment and disarray of the top officials in Washington. And this same feeling is beginning to pervade the capital.

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## As Its Communism Collapses, Poland Pursues Consensus

By Michael Dobbs

WARSAW — Like every other Soviet bloc capital, Warsaw was festooned Saturday with red flags and slogans for the 64th anniversary of the Russian Revolution. Fluttering in the autumn breeze, they proclaimed the lofty vision of a Communist society free of exploitation, poverty and injustice.

The real world beneath the flags is somewhat different. Sad groups of Poles wait in line for everything from bread to gasoline. Shabby modern apartment houses and ill-lit streets create an atmosphere of dreariness. Housewives shove each other aside as they surge into department stores bereft of practically all consumer goods, in search of a rumored bargain.

The contrast between ideology and reality was reflected in a letter to a satirical Warsaw magazine. The writer, Marzenna Michalska, said no action need be taken to extricate Poland from its economic and political crisis because, according to Marxist-Leninist theory, the crisis must be illusory. He quoted from the latest edition of the official Polish encyclopedia, which defines "crisis" as "a serious breakdown of economic development in capitalism and adds: 'Crises are inseparably linked with the capitalist economy and do not appear in any other socio-economic system.'"

The hollowness of Communism

in Poland was illustrated by the meeting Wednesday between the party leader, Wojciech Jaruzelski, the Roman Catholic primate, Archbishop Jozef Glemp, and trade unionist Lech Walesa. Communist dogma holds that religion is the opium of the people, and it meant little to ordinary Poles. They saw it as another game of musical chairs; real political power remained exclusively in the hands of the Communist Party.

When appointed premier in February, Jaruzelski tried to break out of the cycle of truce-conflict by developing new forms of dialogue, but his efforts were sabotaged by hard-liners in the party and the government bureaucracy, as well as by radicals in Solidarity. At the party congress in June, Deputy Premier Mieczyslaw Rakowski called for a broader national consensus. So did some of Solidarity's leading advisers. But once again nothing came of it, and both sides resumed their attacks.

Continuing labor unrest has demonstrated that it is impossible to govern Poland without consensus. But in the meantime the economy has deteriorated. The ability of any authority, Solidarity and the church included, to control the anger of ordinary people is dwindling fast.

Poland's most effective leader, Lech Walesa, even has trouble asserting his authority over his own rank and file. His announcement that he was to meet with Jaruzelski and Glemp triggered a storm of protest from members of Solidarity's national committee, a kind of union parliament that was in session in Gdansk.

Suspicious of Walesa's autocratic streak, other union leaders were reluctant to let him negotiate by himself. He was accused of violating the union's democratic rules, of planning a sellout, of unbridled arrogance. A delegate called for his resignation.

Stung by the criticism, Walesa threw what has now become a routine temper tantrum, at one point threatening to "dissolve the union in two weeks unless we trust each other." Later he pleaded: "Let us not destroy ourselves. It is enough that others try to destroy us." A Polish journalist present wrote in the Warsaw daily *Zycie Warszawy* that in his opinion Walesa was close to breaking down.

The delegates finally allowed Walesa to take part in the summit. But the decision was a grudging one, and doubts remain that he can deliver his side of any bargain reached with the authorities.

The quarrels within Solidarity sometimes resemble the divisions that wracked Poland's great revolutionary movements in the past. In 1770, after a period of national revival, Polish patriots started squabbling. As a result, the Russians crushed them, and Poland

disappeared as an independent nation for more than a century.

The Communist regime, too, is divided between the advocates of a final confrontation and men like Jaruzelski who seek a peaceful way out. At different times, one faction or the other is ascendant. Almost all major decisions in the last 15 months have been compromises. This, as much as Solidarity's intransigence or pressure from the Kremlin, has caused the continuing stalemate.

Posters

Jaruzelski's election as party leader on Oct. 18 coincided with a complex maneuver by the regime. At one level it was reflected in a tougher line against alleged "counter-revolutionaries" in Solidarity. At another level, Jaruzelski is trying to assert control over the party and build a national consensus.

Stefan Olszowski, the party's propaganda chief and a reputed "conservative," recently criticized hard-line Communists for refusing to deal with Solidarity. Police have been instructed to tear down posters struck up by pro-Soviet extremists calling on true Communists to save the nation.

Jaruzelski has won time to pursue his conciliatory policies, but the future remains unclear. Commented an elderly intellectual who has experienced all Poland's post-war crises: "You foreigners always get it slightly wrong. On moments of crisis are never quite as bad as they seem from outside. On the other hand, the breakthroughs are never as wonderful either."

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'Well, Yes ... He Is a Recession. But He's Only a Little One.'

## U.S. Policy With a French Accent

By Joseph Kraft

WASHINGTON — It looked like pure ceremony when Francois Mitterrand and Ronald Reagan met in Virginia last month to celebrate the 20th anniversary of the battle of Yorktown. But, in fact, there and later at the Cancun summit in Mexico, French and American officials did some serious business. Now a French accent marks the American approach in Africa, the Middle East and Europe, and there is an opening for escape from the hard-line anti-Communist ideology of the Reagan administration.

Chad is an example. Libya's Mouammar Qadhafi has been trying to take over Chad, using Libyan troops originally sent to support President Goukouni Oueddei. When Sadat was assassinated, Washington hit the panic button and began simultaneously talking up big aid to Sadat and moves to squash Qadhafi, but huster avoided nothing.

Lebanon

The Arab-Israeli conflict has been another field for French initiative. Mitterrand, who has many friends in Israel, announced in Virginia that France would join the United States in supplying troops to guarantee the Egyptian-Israeli peace. The Mitterrand lead has been followed by other Europeans who were hanging back.

Letter

Lure Intact

George F. Kennan's proposals in "A Time to Start Ridding Europe of Nuclear Weapons" (H.T., Oct. 15), while seemingly noble, would, if implemented, greatly increase the likelihood not only of a nuclear war but of a defeat of the United States in that war. They would provide the Soviet Union not only the possibility of a military victory but a gift of incalculable value: an intact Western Europe.

Mr. Kennan was remiss in failing to consider the immense advantage — and temptation — to the Soviets of a nuclear-free Europe. In a nuclear war with the United States, even if initiated by a devastating first strike by the Soviet Union, the Soviets would also suffer great harm. If there were not a large, rich contiguous area completely untouched by nuclear warfare that the Soviets could rapidly occupy, they would probably never start a nuclear war.

K.H. HECHT.

Canons: France.

The French have troops on the border of Chad and connections with Goukouni, to whom they give logistics support. They also have an entrée through French-speaking leaders to the Organization of African Unity. Goukouni has now called on the Libyans to withdraw their troops from Chad, Senegal, Nigeria, Benin, Gabon and Zaïre and has offered to send in troops.

Qadhafi does pull back, the issue is defused. If he hangs tough, he risks losing the post of OAU president, which he is due to assume next year. So while the issue remains in doubt, Washington is sitting still to let French diplomacy do its work.

modernizing NATO nuclear forces by stationing some 570 Cruise and Pershing missiles in Europe. As a Socialist, he is in a good position to rally leftist opinion that is turning against the deployment in West Germany, Belgium, the Netherlands and Britain.

Mitterrand believes the United States and Russia ought to negotiate an accord limiting theater nuclear weapons on the Continent. Unlike some of the other Socialists, though, he wants the Russians to reduce the number of SS-20s to the point where they pose no threat. Thus, he is well-placed to lead the United States to what is probably the right tactical position for the coming round of arms control talks — a stand that further progress depends first of all on a Soviet decision to dismantle the nuclear weapons that now threaten Europe with annihilation.

Strains persist between Washington and Paris. In economic policy, the Mitterrand government is as Socialist as the Reagan administration is dedicated to a free market. But diplomatic cooperation is taking precedence.

So much the better. For the Reagan administration is being gently led away from its militantly anti-Communist ideology toward a realization that effective policies to contain Soviet expansion must command the support of governments and people in Europe, Africa, Asia and Latin America.

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## Time for Russia to Be 'Clever and Cautious'

By Leopold Unger

BRUSSELS — Revolts erupted almost simultaneously in Poland and Hungary 25 years ago. The causes, goals and illusions were similar, the results very different.

The 1956 wave of destalinization placed veteran Communists at the helm. Both were former prisoners of the KGB. They were apparatchiks, yet men of their nations. Wladyslaw Gomulka in Poland and Imre Nagy in Hungary sought to restore order and win confidence by promising liberty and independence.

High-ranking emissaries were sent by the Kremlin — Khrushchev to Warsaw and Suslov to Budapest, accompanied by dozens of generals — to demand that Communists in each country return to their previous ways. Soviet troops in Poland and Hungary began marching toward the capitals.

This is where similarities end. Soviet armor stopped at the edge of Warsaw, but in Budapest it opened fire. In early November, 1956, while the Hungarian uprising was being crushed, 32 Soviet general officers were making final preparations to leave Warsaw quietly after having run the Polish Army for more than 10 years.

Flexible

The joy in Poland suppressed memories of the Hungarian tragedy. Nagy was arrested and hanged. Gomulka reigned for 14 years before being ousted at the next revolt, in December, 1970. Twenty-five years after the Hungarian uprising, events in Poland show that Moscow can be flexible when it chooses to be. The limits of destalinization are far broader than they were believed to be in 1956. Poland now has an independent union, freedom of speech and a national identity that is unique in the Communist world.

It is de-Sovietization, not destalinization, that causes Moscow to intervene. In 1956, the Hungarians upset the strategic status quo and the structure of the Warsaw Pact. In Budapest, as in Prague in 1968,

Tolerant?

But all this is possible only if Moscow and the Polish party continue to tolerate reforms in Poland.

That times have changed and kept changing was shown last week by the meeting — unprecedented in the East Bloc, since it was a step toward power-sharing — between Solidarity's Lech Walesa, the Communist Party leader and premier, Wojciech Jaruzelski, and Archbishop Jozef Glemp, the Polish primate. Perhaps the Kremlin has decided that violence is too dangerous to try.

Stefan Bratkovski, the "intellectual" Walesa, who heads the Polish journalists' association and is a favored scapegoat of the Soviet-bloc press, returned recently from a visit to Moscow saying that the Russians seem to be trying to understand what is going on in Poland. He does not believe, he said, that they are prepared to use violence. He expects them to act in "clever and cautious" ways because they take the Polish situation seriously.

Mr. Bratkovski took with him to Moscow an appeal by intellectuals to the Polish party arguing that a solid alliance with the Soviet Union requires a free Polish commitment. It is noteworthy that he was welcomed in Moscow just one day after being expelled from the Polish Communist Party.

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**Herald Tribune**  
Published with The New York Times and The Washington Post

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International Herald Tribune, S.A., au capital de 1.200.000 F. R.C.  
Paris No 25 212 177-181, rue de Valenciennes, 10211 Monty.  
Paris. Directeur de la publication: Walter N. Wells. U.S. membership  
price \$250 yearly. Social class postage paid at Long Island City,  
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Commeil Publication No 24 211

General Manager: Alan Lerner. 2424 Broadway, Room  
1011, New York, N.Y. Tel. 5-28 35 (10 lines) 0170 TELETYPE

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# Hanoi Sending Russia Thousands of Workers

**By Keyes Beech**  
*Los Angeles Times Service*

BANGKOK — In a program to help pay its huge debt to the Soviet bloc, Vietnam is sending thousands of unskilled and semiskilled workers to the Soviet Union and Eastern Europe, according to Western diplomatic sources and the Vietnamese Embassy here.

One diplomatic source estimated that 50,000 workers are being sent to the Soviet Union, East Germany and Bulgaria. A Vietnamese Embassy spokesman said the number might reach 100,000 before the end of Vietnam's five-year plan in 1986.

Both Western and Vietnamese sources rejected the characterization of the workers by some Vietnamese refugees as "slave labor."

Some accounts of the arrangement indicate that the individual Vietnamese workers receive 40 percent of their wages, with the other 60 percent credited against Vietnam's debt to its Socialist partners.

There is nothing to indicate that the workers are being forced to go, diplomatic sources reported.

"The program makes a lot of sense for all concerned," a diplomat said. He noted that Vietnam's economy is in a dreadful condition, with hundreds of thousands unemployed. At the same time, Soviet and East European factories can use hard-working Vietnamese.

"There's a little something in it for the worker, who has enough money to send home to his family," a diplomat said. "And there's a good deal in it for the Hanoi government, which collects its take for the Russians."

"Actually, there's nothing new about this program," a Western diplomat who recently visited Vietnam said. "What is new is the numbers. There has been a marked increase in the number of flights leaving Vietnam for Eastern Europe."

Vietnam's foreign debt is estimated at more than \$3 billion, and the annual interest of \$240 million apparently added urgency to the worker export program. Moreover, Moscow is sending an estimated \$1.1 billion a year in economic and military aid, in part to sustain Hanoi's occupation of Cambodia.

Vietnam can do little to repay this aid, except to export its unskilled and semiskilled workers.

Manpower is one of the Soviet Union's most urgent economic needs, especially in the harsh reaches of Siberia where accelerated development of oil, gas and mineral resources, along with industry, is essential to Soviet economic vitality.

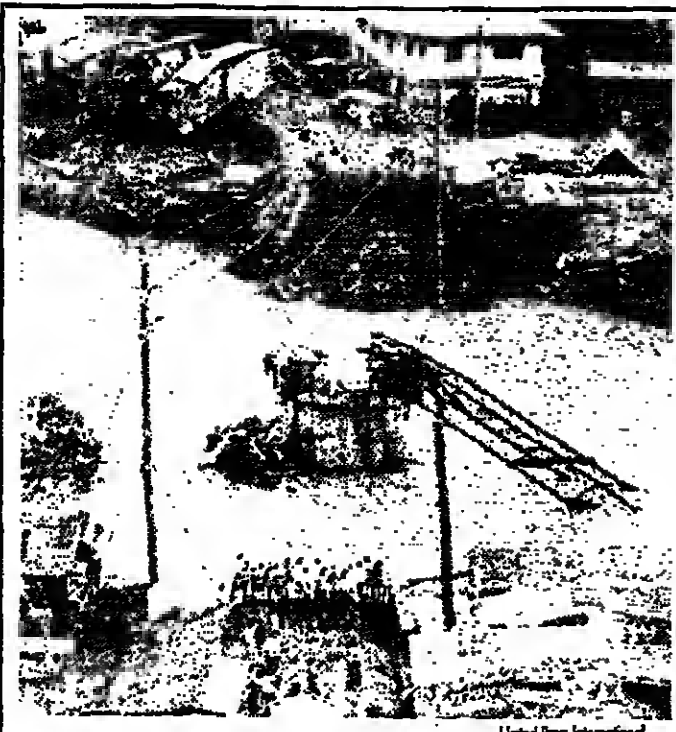
Last June, the Soviet State Committee for Labor said that 2 million jobs were vacant and that more than 750,000 new workers were needed each year just to run new factories and other enterprises.

And changing patterns of population growth are intensifying the Soviet manpower problem.

There is precedent for importing foreign workers into the Soviet Union. Several thousand Bulgarians, mostly technicians and engineers, are working on projects in the Soviet Union.

Other Asian countries besides Vietnam have provided labor for foreign jobs. Thousands of skilled workers from South Korea, the Philippines and Thailand have for years gone to the Middle East, many to Saudi Arabia, to work on projects there. Their wages sent home to families have helped the economies of their countries.

Vietnam, in addition to exporting labor, can hope to repay some of its debt to the Soviet bloc in trade. Pravda, said after talks in September between Soviet and Vietnamese leaders that deliveries of Vietnamese goods to the Soviet Union would be increased, specifically those of vegetables and fruit to the Soviet Far East and Siberia.



**BRIDGE DOWN** — Floods caused by monsoon rains washed away about 500 homes, a four-month-old bridge and many market stalls in Lucena City, 70 miles (112 kilometers) southeast of Manila. Five children were missing.

# U.S. Army Tests Promising Anti-Viral Drug

**By Harry Nelson**  
*Los Angeles Times Service*

LOS ANGELES — U.S. Army researchers are studying an experimental anti-viral drug that tests on animals indicate may produce a breakthrough in the treatment of a variety of tropical diseases that troops might contract in Africa, Latin America or Asia.

The drug's manufacturer, Viratek Inc., hopes eventually to license the compound in the United States as the first drug treatment for viral influenza.

Known as ribovirin, the drug has been licensed in Mexico as a treatment for influenza, hepatitis and herpes zoster, a virus infection also known as shingles.

Medical researchers at Fort Detrick, Md., say that tests of ribovirin in monkeys and rodents with lethal virus-caused tropical diseases such as Rift Valley fever, sand fly fever, Venezuelan encephalitis and machupo are "extremely encouraging."

ber of politically important areas around the world.

"There will be increasing [medical] support for protecting U.S. troops who may be at risk," he said. "Our concern is the Middle East. The medical problems facing troops there are as great as anywhere in the world."

Several of the hemorrhagic fevers — dengue fever, sand fly fever and Korean hemorrhagic fever, for example — were major military medical problems in World War II, the Korean War and the Vietnam War.

**"Terrible Impact"**

In 1978 an outbreak of Rift Valley fever occurred in Sudan and, for the first time, it spread into the Sinai Peninsula. Col. Russell said the presence of soldiers without immunity in a region during an epidemic would have a "terrible impact."

In addition to the drug tests on animals at Fort Detrick with Rift Valley fever, human studies are being done by Dr. Kenneth M. Johnson using a vaccine that was developed in his laboratory. He said it has been used on a few United Nations troops serving in

the Sinai Peninsula, as well as on Fort Detrick personnel who work with the virus.

Dr. Johnson said the vaccine is at a stage where it could be used clinically, if necessary, although it has not been licensed in the United States.

All the hemorrhagic fevers are caused by viruses. As with nearly every other viral disease, there has been no direct treatment for them.

The animal studies provide some evidence that such a treatment may be in the offing. However, researchers warn that the drug is experimental and human trials to date have been scanty. There are also indications that ribovirin may cause birth defects. The Food and Drug Administration has not licensed it for general use.

**Sierra Leone Tests**

Dr. Joseph McCormick, a virologist at the Center for Disease Control in Atlanta who has been conducting the Lassa fever trial at two mission hospitals in Sierra Leone, said it has saved the lives of patients who otherwise would have died. But he said the study has been hampered by a lack of funds and by primitive research conditions.

Dr. Vernon Knight, a Baylor University researcher, recently completed a study in which ribovirin was given to 14 flu patients who inhaled the drug in aerosol form through a special mask.

He will report in an upcoming issue of Lancet, a British medical journal, that "the study seems to establish the effectiveness of ribovirin treatment in influenza when the drug is deposited directly on the respiratory surface."

## Sheikh Zaid Re-elected President of Emirats

**The Associated Press**

NICOSIA — Sheikh Zaid bin Sultan, the Abu Dhabi ruler, has been re-elected unanimously as president of the United Arab Emirates by its seven-member Supreme Council, the Emirates news agency reported. His new five-year term begins Dec. 2.

The council, which comprises the rulers of the federation's seven sheikhdoms, also re-elected Dubai ruler Sheikh Rashid bin Saeed as vice president. The elections took place Saturday at the Ghantoot oasis, 80 kilometers (50 miles) from the city of Abu Dhabi.

## Jonathan Daniels, Former FDR Aide, Dies

**The Associated Press**

HILTON HEAD ISLAND, S.C. — Jonathan W. Daniels, 79, editor emeritus of The News and Observer of Raleigh and former press secretary to President Franklin D. Roosevelt, died Friday.

Mr. Daniels replaced his father,

Josephus Daniels, as editor of family-owned News and Observer in 1933 when the elder Daniels was appointed ambassador to Mexico.

In 1942 Jonathan Daniels joined the Roosevelt administration and his father returned to Raleigh to resume control of the newspaper.

Starting out as director of civilian defense for Roosevelt, Mr. Daniels rose in the administration, becoming the president's administrative assistant in 1943 and press secretary in 1945, shortly before the Roosevelt's death.

President Harry S. Truman, Roosevelt's successor, replaced Mr. Daniels a few weeks after assuming office, and Mr. Daniels returned to Raleigh to become executive editor of The News and Observer. He became editor in 1948 after his father died.

Mr. Daniels also was a prolific writer, producing 20 books.

An account of his years with Roosevelt, "The Time Between the Wars," was published in 1966 and caused a national stir with its account of the romantic relationship between Roosevelt and Lucy Mercer, Eleanor Roosevelt's social secretary. He also wrote of his relationship with Truman in "The Man of Independence."

## W. Germany Says 20,000 Belong to Far-Right Groups

**The Associated Press**

BIELEFELD, West Germany — Interior Minister Gerhard Baum says nearly 20,000 people belong to groups classified by West German authorities as extremely rightist, and the importance of rightist terror groups goes "far beyond the figures," according to a local newspaper.

In an interview published Saturday by the Neue Westfälische newspaper, Mr. Baum estimated that there are 75 rightist extremist organizations in West Germany, with 19,800 members.

Most of them — about 18,000 — belong to legal or quasi-legal political or social organizations, according to the report.

While the number of terrorists or potential terrorists is far smaller, Mr. Baum said, their importance takes on "a position far beyond the figures reported by the constitutional authorities" because they must be seen "against the background of a Nazi dictatorship in Germany," according to the newspaper.

## Pumpkin Lane, a Former Shanghai Slum, Is Kept Open as a Reminder of Bad Times

**By John Roderick**  
*The Associated Press*

SHANGHAI — Pumpkin Lane is a sort of museum of unhappiness kept open as a reminder of Shanghai's bad times, times that Wang Fuxing and Wang Lanhua remember well.

Wang Fuxing, a 79-year-old former rickshaw puller, and Wang Lanhua, a street cleaner's 65-year-old widow, both lived in the Pumpkin Lane slum in the 1920s and 1930s.

Today, Pumpkin Lane is an uninhabited relic hidden behind high walls, a collection of a few of the mud and wattle huts and scattered matcheds — lean-tos of straw that kept out neither rain nor cold that 50 years ago housed 15,000 of the poorest people in China. It looks today like an archaeological discovery of a primitive village.

**Days of Coolies**

Wang Fuxing and Wang Lanhua live next door to each other in small apartments in a large development built in the early 1960s. But on occasion, for foreign visitors or Communist Party officials from Peking, the heavy doors swing open and they relive their past.

"Rickshaw pullers, street cleaners, coolies, dock workers, cripples and beggars inhabited Pumpkin Lane then, along with their wives and many children. They dressed in rags, rarely ate meat and often

fell prey to disease after drinking ditch water.

In the early days of World War II, Japanese bombers devastated the Chapei district in which Pumpkin Lane is located. It was during this difficult period that Mrs. Wang gave birth to her first child in a matchsd, practically in the open air.

**Baby's Birth**

"It was 1937, the bombers had come, destroying houses everywhere. I was 21, alone and afraid," Mrs. Wang recalled. "My mother couldn't be with me; she was begging in the streets. On the day the labor pains began I was scavenging for food on Peking Road, in the British Concession. My husband was cleaning streets. The pains lasted all day, Dec. 25. A neighbor lady helped with the delivery. But when the baby came, it soon turned blue from the cold. I had to hold it against my bare breast for 24 hours, otherwise it would not have survived."

**50 Kilometers a Day**

The money her husband earned was not enough to support her and the children that followed, so Mrs. Wang became a beggar. "I managed to pick up some discarded vegetables once in a while. But more than once we were reduced to eating leaves from the trees," she said.

Mr. Wang, a spare man with skin stretched like parchment

across his face, spent 60 years of his life in the Pumpkin Lane area. "I was 18 when I became a rickshaw man in 1921," he said.

"I was poor," he went on. "I didn't have any education and couldn't do anything else. I ran 50 kilometers [31 miles] a day, mostly in the British and French Concessions. I worked from 1 a.m. to 1 p.m., earning the rickshaw for one silver dollar a day. For this, I earned 50 cents; on good days, 60 or 70 cents. On that I could hardly afford such a luxury as rice. Usually it was corn flour and dried sweet potato. Meat once a month, maybe longer."

After the Communist victory in 1949, the rickshaw pullers were organized into a union. Mr. Wang said he found out then that he had been engaged for 27 years in a degrading occupation and, like everyone else, gave it up in favor of pedaling three-wheeled "samloes." These, too, went out of existence in 1966, but by that time he had retired.

In 1963, the new municipal government replaced the matcheds with 35 five-story apartment buildings housing 7,600 people, among them 600 former residents of Pumpkin Lane. The retired rickshaw puller and the former beggar have found happiness in their children and grandchildren. All read and write, have graduated from at least middle school and now have good jobs.

## The new BMW 5-Series.

# The start of an intelligent partnership.

BMW is the world's first car manufacturer to create such a highly integrated information and communication system without resorting to far more complex, costly and bulky technology.

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**Automatically safer: active check-control.**

All cars from the 525i feature the new generation active check-control, which is incorporated in a cushioned safety niche just above the wind-

to be serviced — with restrained driving it's invariably later rather than sooner, or at the normal mileage if the car is being continuously driven hard.

**New signposts to an economic future: the BMW on-board computer.**

The BMW on-board computer is a special option on the 525i and 528i. Hardly any other instrument or system provides the driver with such comprehensive information on the most economic way to drive a car. The scope of the computer ranges from outside temperature checks to potential black-ice warnings, from a special anti-theft system to controlling and communicating all relevant driving data.

**Make the most of your step up to first-class motoring.**

All the instruments and driving controls on the new BMW 5-Series are part of a single ergonomic concept. The arrangement of the seating, steering wheel, gear lever, indicators, instruments and field of vision isn't the accidental by-product of some futuristic design, but is the result of our continual striving to make communication between driver, car and surroundings as complete and uninterrupted as possible.

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The electronic information system on the new 5-Series provides drivers with all the basic data needed to make better and more rational driving decisions. With its introduction BMW has come a long way on the road to achieving the ideal team relationship between driver and car. But these new cars can achieve a lot more than just enhance your ability as a driver. Through their very character they are the perfect complement to a distinctly individual life-style: never has so much first-class quality been so unobtrusively and modestly displayed.

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BMW AG, Munich







N-Plant Setbacks Generate Fallout In U.S. Bond Mart

By Leslie Wayne New York Times Service

NEW YORK — Hydroelectric power in the Pacific Northwest of the United States has been so plentiful that, in the 1930s, the Bonneville Power Administration even hired the folk singer Woody Guthrie to promote electrical use.

But the days of cheap power have come to a halt, mired in the financial problems of a group of utilities that undertook an overly ambitious program to bring more nuclear power to the region.

The spark behind all this was a plan by the Washington Public Power Supply System to build five nuclear plants — plants that are now 500 percent over budget, up to six years behind schedule and whose \$6.8 billion in outstanding bonds have glutted investors' portfolios and raised serious questions about the municipal bond market's ability to be a notional fund for civic projects.

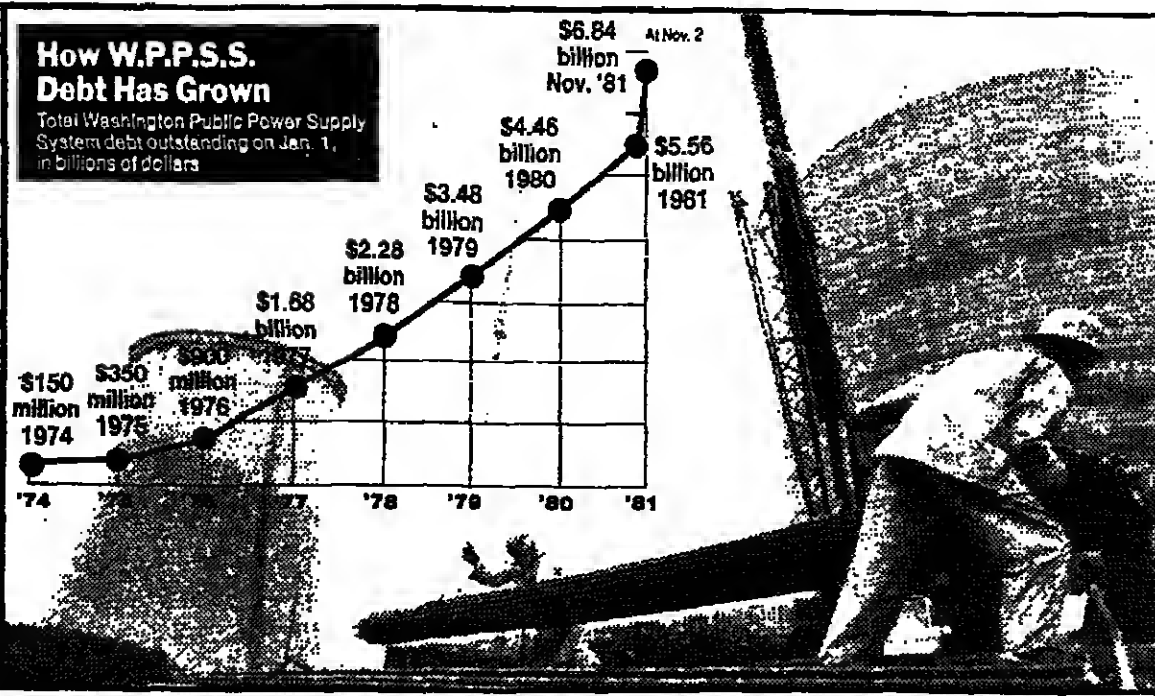
"When you think of New York City in 1975, you are talking nickels and dimes compared to Whoops," said Robert Adler, an analyst with Prescott, Ball & Turben, referring to the company's initials, W.P.P.S.S. "This is the biggest story in the municipal bond market — ever."

Largest Borrower Ever

The Supply System, a borrowing consortium of 23 small utilities, is the largest borrower ever in the municipal bond market, and its outstanding bonds have so glutted investors' portfolios that many have refused to buy any more of its bonds, regardless of price.

The five plants remain unfinished. Two plants have been put into mothballs until 1983 in an effort to keep funds flowing to other three — which still need additional financing of \$4.2 billion.

And those owning its bonds, mainly major institutional buyers, have sustained losses of up to 60 percent in the value of their holdings. For instance, some Supply System bonds issued at \$100 are now trading for around \$40, and



the system's bonds generally trade at prices lower than other bonds of the same rating. At its most recent borrowing, the system had to offer a record tax-free yield of 15 percent to attract investors and, this summer, a downgrade in the ratings to Baa-1 and A on bonds for two of the plants made those particular issues virtually unmarketable and forced the mothballing scheme.

In the state of Washington, voters face a referendum, which, if passed, would bar the issuance of further Supply System bonds without a vote of the public.

"In the last 10 years, the municipal bond markets began lending huge amounts of money to high-risk ventures, which nuclear power plants are," said AnnMarie Walsh, director of the Institute of Public Administration, a private research agency, and the author of "The Public's Business," a study of the municipal bond market. "And the municipal bond market, unlike corporations, have never been organized to assess the underlying risk of an enterprise. Somehow they believe that governments will always bail them out."

"This whole process should have been stopped long ago," said Jeffrey Whitworth, an analyst with Dreyfus Corp. "But the question is: Who should stop it? When you ask: 'Who's at fault?' the answer is, 'Everyone.'"

Robert L. Ferguson, the Supply System's fourth managing director in 10 years, vows he can meet the most recent construction and cost schedules, barring rapid increases in borrowing costs or mandated regulatory changes in construction.

The most recent timetable calls for the completion of Plant No. 1, which is 41-percent finished, by June, 1986, requiring additional financing of \$1.7 billion. Plant No. 2, 86-percent complete, is scheduled to be finished by February, 1984, and needs \$1 billion more. Plant No. 3, 32-percent complete, needs \$1.5 billion more to meet a December, 1986, completion date.

The current estimate of the final bill for Plants 1, 2 and 3 is \$12 billion. If the mothballed Plants 4 and 5 are added, (Continued on Page 11, Col. 1)

Suzuki Urged by Panel To Act on Trade Issue

From Agency Dispatches TOKYO — Premier Zenko Suzuki was reported to be preparing to call a Cabinet meeting on Monday to discuss a report from a government-sponsored mission that urged immediate action to improve Japan's relations with its major trading partners.

Mr. Suzuki said Saturday after hearing the report that Japan's concentration of exports in certain fields is viewed as "exportation of unemployment," the Kyodo news service reported.

A government spokesman said Mr. Suzuki has appointed a special task force to increase imports in hopes of easing trade friction with the United States and Western Europe. He assigned Toshin Komoto, director general of the Economic Planning Agency, to head the group charged with forming a comprehensive plan to boost purchases from Japan's major trading partners.

Yoshihiro Inayama, who headed the trade mission and is chairman of the powerful Japan Federation of Economic Organizations, said the Japanese government should take immediate action to clear nontariff barriers and increase imports to alleviate trade friction with Europe and the United States.

He expressed concern that Europe viewed Japan's economic power as a political problem and reported to Mr. Suzuki that Japan's trade surplus is disrupting harmonious relations with its allies. "Stagnation and unemployment have plagued Western European countries and developed into political problems," Mr. Inayama said.

Although sluggish domestic demand was the chief cause of the problem in many European countries, "Japan's growing exports have given those countries an excuse [to tell] their peoples... Japan is exporting unemployment," Mr. Inayama said.

He and other business leaders recommended that Japan reduce tariffs on whiskey and biscuits and completely liberalize imports of agricultural products. He also proposed the government lift import quotas on foodstuffs, leather and shoes and simplify import screening to allow U.S. and European exporters to ship their products to Japan more easily.

Mr. Komoto, who will chair the task force's first meeting next week, suggested Japan purchase some passenger planes from European aircraft makers to lease them in third countries.

Separately, the U.S. ambassador to Japan, Mike Mansfield, said in a magazine interview that the United States should sell Alaskan oil to Japan.

"We could work out a swap arrangement with Mexico or even the Middle East countries, pay a lot less and, by shipping surplus oil to Japan, earn a lot more, and not only help Japan but help ourselves on the balance-of-payments problem," he told U.S. News and World Report.



Zenko Suzuki

Japanese Stocks Lose Allure for Foreigners

By Steve Lohr New York Times Service

TOKYO — A few days ago, over a course of black mushroom soup at an elegant restaurant here, Howard Stein, president of the Dreyfus Corp., said, "We've been cutting back our investment in Japanese stocks substantially."

In recent months, the 55-year-old chief of Dreyfus, the big mutual-fund concern based in New York, has had plenty of company. Since July, foreign investors, who during 1980 and much of this year were plunging into the Japanese stock market with abandon, have been pulling back sharply.

In September, foreign investors were net sellers of Japanese issues by a record 158.7 billion yen (\$690 million), figures released by the Tokyo Stock Exchange show. The September sell-off was more than double the previous record for a month — 61.9 billion yen, in December, 1973.

Two explanations of the foreign selling have been offered. Investors are leaving the Japanese market for higher yields elsewhere, it is suggested, and their withdrawal merely reflects the recent worldwide market slump. Both explanations have flaws, though.

High U.S. Interest Rates First, the record net sales in September took place during a month when interest rates in the United States had begun to decline. Besides, during some of the previous months this year and last, when foreign investors were net purchasers of large quantities of Japanese stocks, U.S. interest rates were at or near record peaks.

Second, the first sign of foreigners pulling away from Japanese

stocks — net sales of 18.3 billion yen in billion yen in May — came long before the collapse in world stock markets.

It seems that part of the selling wave has been simply a reaction to the earlier rush into Japanese equities. From March 31, 1980, to March 31, 1981, the foreigners' share of all Japanese stock holdings nearly doubled to 5.9 percent from 3 percent, according to Daiwa Securities. It estimates their share now at 5 percent.

"The foreign buying just couldn't go on at the pace it was," said Takeji Yamashita, manager of Daiwa's institutional advisory and research department. "There had to be a reaction, and that's what we're seeing now."

Beyond that, however, some foreign investors seem to be showing greater caution in making new commitments in the Japanese market, now that they are becoming more familiar with the way it operates.

An investment banker summed up the most common criticism of Japan's stock market when he said, "Everyone knows it's rigged." The basis for this charge is the influence and market share held by the so-called Big Four investment houses — Nomura, Yamaichi, Nikko and Daiwa. Together, they account for 50 percent or more of all domestic securities transactions and most underwritings. This is a far greater display of brokers' power than is found in the United States, for example.

In Japan, antitrust laws do not prohibit such concentration. And the government agency that oversees the Japanese markets, the

(Continued on Page 11, Col. 1)

New Canadian Policy Poses Big Challenge for Imperial Oil

By Andrew H. Malcolm New York Times Service

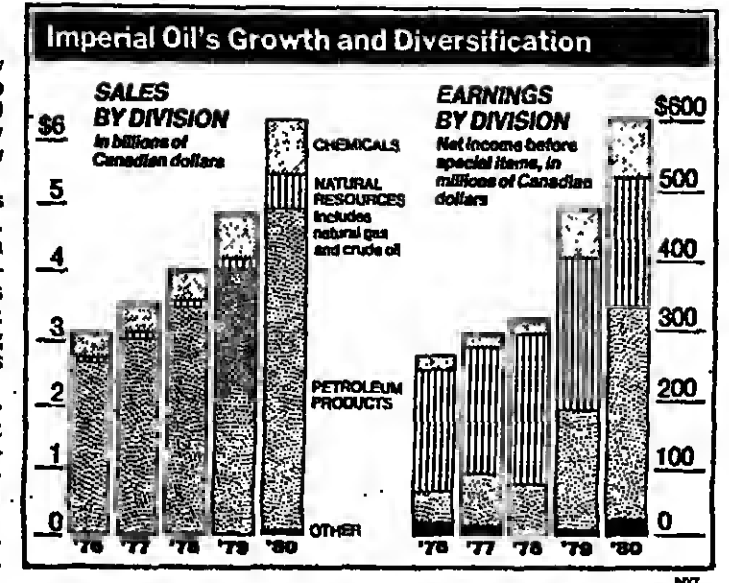
TORONTO — On a autumn day 101 years ago, a group of Ontario businessmen each invested \$25,000 to form Imperial Oil, a company founded to combat the invasion by U.S. oil interests.

Imperial lost that fight. It was later swallowed by those same U.S. oil interests, which became Exxon Corp., the world's largest oil company. But ever since, Imperial has won many more struggles than it has lost on the way to becoming the largest integrated oil and gas company in Canada.

Now the company may be facing its steepest challenge as a result of Canada's increasingly nationalistic energy policy, which, it is argued, discriminates against foreign companies and their interests in Canada by using taxes and expropriation grants to favor Canadian-owned companies. The government's aim is to increase Canadian control of the country's energy resources to 50 percent.

Some U.S. companies have already sold their Canadian holdings rather than operate under the evolving program. But Imperial is expected to remain in Exxon's hands, in large part because of its huge size and diversified business.

There, however, other headaches. These include reassessment of the stalled \$13-billion Cold Lake oil sands project in Alberta;



the policy and pricing uncertainties that regularly erupt from the perpetual feuds between Canada's provinces and its federal government in Ottawa, and the need to raise vast sums of capital for costly explorations in a market historically short of domestic capital.

"Imperial, like many other companies in the Canadian oil industry, faces an uncertain future," said J.A. Armstrong, the company's chairman. Mr. Armstrong, however, who is retiring at the end

of the year, will not be dealing with that future. The company has chosen a new chairman, Donald K. Melvor, to replace him.

Mr. Melvor, who has spent the past four years as Exxon's vice president for oil and gas exploration and production, began his career on a seismic crew for Imperial in 1950 and has worked for Imperial, France and the United States.

By all accounts, no one expects any sudden changes at Imperial, which is so large and diversified

that no single governmental policy could threaten all its business. Wilf Gobert, an analyst with Peters & Company in Calgary, said that last year only 52 percent of the company's earnings were derived from petroleum products. Some 31 percent came from other natural resources including its Syncrude share, 13 percent from chemicals, and 4 percent from mining and miscellaneous areas.

Dominant Power "When you are the largest, like Imperial," said Ira Kazin of Field, Mackay Ross, an investment firm, "you have the most to gain and the most to lose. You don't jump into things very quickly. And you don't abandon ship very quickly."

Inextricably tied to Canadian history, Imperial has for decades been a dominant national industrial power and a key establishment member, despite its prominent foreign ownership. Imperial has been a resented symbol of U.S. economic imperialism, the target of nationalist attacks, the focus of praise from its supporters and the producer of handsome profits and healthy reserves for its chief shareholders, Exxon, which holds 70 percent of the company. Canadians have 20 percent, and the balance is held abroad.

Given Imperial's success over the years, its U.S. parent has tend-

ed to grant it considerable autonomy. With an energetic refurbishing of its public relations machinery recently, Imperial has been more outspoken in defense of itself and the oil industry in general.

Despite a decline in earnings in the first half of this year to 259 million Canadian dollars (\$214 million) from \$300 million a year earlier, it is generally agreed that Imperial is in a solid position.

The company attributed the decline to a number of factors, including the new 8-percent federal tax on oil and gas production, a decline in output resulting from mature fields, cutbacks ordered by Alberta to pressure Ottawa, and the need for major repairs at Syncrude, the 25-percent owned instal-

(Continued on Page 11, Col. 3)

Prices Climb as Fixed-Rate Debt Sells Briskly

By William Ellington AP-Dow Jones

LONDON — International bond prices rose by between two and three points this week as investors eagerly snapped up the fixed-rate debt issues on offer.

Although the market encountered some profit-taking at the end of the week, several traders reported that institutions were active buyers on any weakness.

According to bond syndication specialists, many corporations are waiting for lower interest costs before floating bond issues because the U.S. recession appears to be getting worse.

Furthermore, interest levels in the U.S. bond market have continued to decline faster than they have in Europe. According to calculations by Salomon Bros., 10-year U.S. Treasury bonds are now yielding at least 100 basis points less than 10-year, prime quality Eurobonds. This is the widest spread seen so far this year. Salomon reckons.

As a result, borrowers are more likely to tap the U.S. market than the Eurobond market. Therefore, analysts are expecting the supply of Eurobond offerings to remain relatively tight at a time when demand for fixed-rate debt remains strong.

Nonetheless, traders say that the current rally has been strongly influenced by a decline in short-term

interest rates. "If we see short-term interest rates move back up a point or so, the rally will be over," a trader commented.

The \$225 million of fixed-rate issues under offer this week met with strong institutional demand. After a \$100-million, seven-year note issue of the Province of Saskatchewan was priced at 100.25 bearing 16.25 percent to yield

EUROBONDS

16.18 percent, the issue moved up as high as 100.5 bid, 101 offered, before settling back at 100-100.5 Friday.

Because of soaring demand, a 10-year issue of Ontario Province at par bearing 16.0 percent was increased by \$50 million to \$200 million by the syndicate manager, Deutsche Bank. In premarket trading, the issue was quoted at 99.5-100.

The Bank of Montreal floated a \$150-million, 10-year bond issue at par bearing 16.25 percent through a syndicate led by Union Bank of Switzerland (Securities) Ltd. It was quoted Friday at 99.25-99.75 or comfortably near the issue price.

Usual Structure Swedish Export Credit Corp., which is owned by the Swedish government and the large Swedish commercial banks, floated an unusually structured \$75-million, 12-

year issue at par through Morgan Stanley International and Credit Commercial de France. The coupon rate is fixed at a new level every three years at which time holders have the option of redeeming at par. For the first three years, the coupon rate was fixed at 16.50 percent.

The option of redeeming in three years attracted investors who were wary of making long-term commitments, syndicate sources said. In aftermarket trading, the issue was quoted at 100-100.5. Furthermore, by the end of the week, the yield was attractive in relation to deposit rates, which fell by 1.25 points to 15 percent or less for maturities ranging up to a year.

In the floating rate note sector, a syndicate led by S.G. Warburg and Citicorp International Bank is expected to launch shortly a \$150 million, 10-year issue of the Offshore Mining Co. of New Zealand. Interest payments will be twice a year at 0.25 points above the average of the prevailing bid and offered rate for six-month Euro-dollar deposits.

In addition, Credit Suisse-First Boston is managing a \$100-million, 10-year issue for Security Pacific Corp., holding company for the California-based bank. The notes bear semiannual interest at 0.125 points above the London interbank offered rate. Note holders have the option of redeeming at par in November 1988.

Short-term Deutsche mark interest rates fell in tandem with dollar interest rates over the week, giving a boost to bonds denominated in marks.

As a result, syndicate specialists were expecting terms for a 100-million-DM, 10-year bond issue of the Interamerican Development Bank to be modified in favor of the borrower. Deutsche Bank, the syndicate manager, originally indicated that the issue will be priced at 99 bearing 10.25 percent to yield 10.42 percent.

Venezuela is floating a 100-million-DM, 10-year issue with an indicated 11.5-percent coupon, the highest net record for an external DM bond issue. Though the country is oil-rich it is not without political and economic problems.

Table with Eurobond Yields, Market Turnover, and Cedei data. Columns include instrument type, yield, and turnover values.

CURRENCY RATES

Table of interbank exchange rates for Nov. 6, 1981, for various currencies including USD, DM, SF, SFR, etc.

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Advertisement for a bank offering inflation-beating deposits. Includes interest rates for Dollar, Peseta, Dollar (U.S.), Sterling, Franc, and Mark.

Large advertisement for BFCF Banque Francaise Du Commerce Extérieur. Features \$100,000,000 in U.S. notes, 16% guaranteed notes, and a list of international partner banks.



International Bond Prices - Week of Nov. 5

Provided by White Weld Securities, London; a Division of Financiere Credit Suisse - First Boston

Table of International Bond Prices. Columns include Country, Security, Maturity, Price, Yield, and other financial metrics. Includes sections for 'CONVERTIBLE BONDS' and 'HIGHEST CURRENT YIELDS'.

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Consolidated Trading Of AMEX Listings

Table of AMEX Listings with columns for Symbol, Price, Change, and Volume.

Consolidated Trading Of NYSE Listings

Table of NYSE Listings with columns for Symbol, Price, Change, and Volume.

Mutual Funds

Table of Mutual Funds with columns for Fund Name, Price, and Change.

ARMORED VEHICLES. Italian company specialized in armored vehicles for civil, police and military use.

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Gold Options (prices in \$/oz). Table showing prices for various gold options.

Treasury Bills. Table showing prices for various Treasury bills.

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# Japanese Stocks Lose Allure for Foreigners

(Continued from Page 9)

Ministry of Finance's securities department, does not have a reputation as an aggressive watchdog.

Many traders in Japan say that the Big Four can — and do — move stock prices up or down at their whim, frequently buying and selling together as a kind of close-knit club. Foreign investors feel they are outside the club.

## 'The Big Four Are Buying'

Even people who contend that the Big Four do not have a visible grip on stock prices concede that their weight in the market is considerable. "The most convincing argument a client hears is that the Big Four are buying," said Nobumitsu Kagami, an economist at Jardine Fleming, a Tokyo investment concern. Mr. Kagami was formerly a director of research at the Nomura Research Institute, an affiliate of Japan's biggest brokerage house.

Foreign investment executives compare the Japanese securities market with the U.S. market of half a century ago, when it was still largely a domestic domain and a few key investors could sometimes establish pools or corners. However, with the relaxing of foreign-exchange controls last December and the increasingly international tone of the Japanese market, the executives think the Big Four's influence has ebbed.

"I think the Japanese market is a good deal better market than it used to be — less rigged, if one chooses to use that term," said Robert G. Wade Jr., president of the Bank of America's Investment Management Corp. in San Francisco.

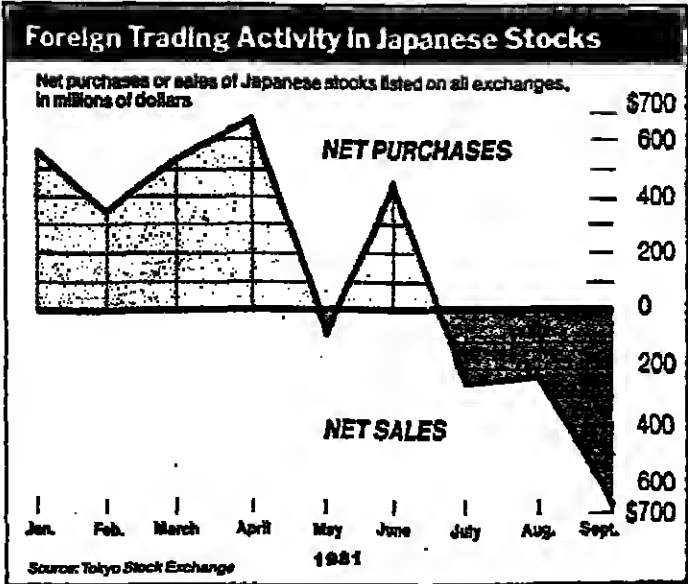
The great attraction of the Japanese equity market is the dynamic growth of the nation's economy when other countries seem to be foundering. Industrial activity, despite some weak sectors, is getting stronger, and the Japanese economy is expected to show a real growth rate of 5 percent this year.

Meanwhile, the United States is apparently entering a recession. The fundamental position of the Japanese economy, compared with others, is very strong," Jardine Fleming's Mr. Kagami said.

So foreign investors are expected to come back to Japanese corporate issues, though probably at a slower pace than in the recent past. "The foreigners will have to invest in Japan whether they like the markets here or not," said Akio Mikuni, president of Mikuni & Co., a financial advisory firm. This is also the prevailing attitude among foreign securities firms that have offices in Tokyo. "Foreign investors ought to be aware of the pitfalls," said Takeshi Peter Itoh, first vice president of Drexel Burnham Lambert, "but the Japanese securities market is clearly one of the places to be over the next several years."

Whether the Japanese market is a place to be during the next few months is not so clear. Echoing the views of several analysts, Mr. Yamashita of Daiwa predicts that for the rest of this year the market will "continue consolidating at the current level." In recent sessions the Nikkei-Dow Jones index of 225 stocks has been trading in a narrow range around 7,500, down considerably from its peak of 8,019.14 on Aug. 17 but up from the recent low point of 7,037.12 on Sept. 28.

One obstacle to an advance is the record amount of margin credit overhanging the market — 1.8 trillion yen, or roughly \$7.8 billion. In Japan margin credit accounts must be settled every six months for most stocks and at three-month intervals for a handful of widely held issues, such as Toyota. For 1982, Mr. Yamashita forecasts a trading range between 7,500 and 8,500, based on what he considers conservative assumptions. But he adds that the market might be much stronger. "It could go over 9,000 and very possibly over 10,000 if there is a big flood of foreign investment," he said.



# Canada's New Policies Pose Challenge for Imperial Oil

(Continued from Page 9)

lition that wrings oil from underground sands. But, said Richard Hallisey, an oil analyst for First Marathon Securities, the company "is handling itself very well."

Among these things was the halting of planning on the Cold Lake plant, a 140,000-barrel-a-day project widely viewed as a key factor in Canada's drive for oil self-sufficiency. Imperial's assessments found that even with the provincial-federal energy pricing agreement last September, which was hailed as a bonanza by politicians but received more skeptically by the companies, the Cold Lake plant would earn only 14 or 15 percent on investment when 20 percent was necessary.

As do many analysts, Mr. Hallisey expects Imperial to restart the project, perhaps in a year after further talks with the government. Mr. Gobert then expects Imperial to scale the plant down to 100,000 barrels a day and to seek partners while holding 50 percent. Often mentioned as potential

partners are Nova Corp., the state-owned Petro-Canada, the Alberta government, Norcen Energy Resources and Pan-Canadian Petroleum.

"Cold Lake has long-term strategic importance," Mr. Gobert said, "but it's not that crucial for the company's five-year economic outlook."

In the far north, an area that the new chairman is known to favor, the hostile environment can multiply the costs of a single well to \$50 million or more. Imperial has finally had some promising results in Beaufort Sea-Mackenzie Delta explorations where it holds a 50-percent interest subject to dilution by the government's new "back-in" legislation, which enables Ottawa to take a 25-percent interest in new frontier discoveries on federal lands.

Many analysts expect Imperial to issue new equity, possibly when its shares climb from the current \$27 to \$28 range back to the middle \$30s, which would bring in new money and increase Canadians' 20-percent ownership of Imperial.

# Pan Am Says Discount Strategy Shows Success

By Carol Shifrin  
Washington Post Service

NEW YORK — Pan American World Airways' aggressive new pricing policy, with some domestic fares reduced as much as 67 percent, has begun to pay off already with increased ridership and revenues, according to C. Edward Acker, the airline's new chairman.

In an interview in the Pan Am Building — a property the airline sold last year to raise cash — Mr. Acker said Pan Am's scheduled passenger traffic in October was up more than 2.5 percent from a year earlier, the first significant gain since March 1980.

The airline, which currently is operating at reduced capacity, has been filling an increasing number of its seats, Mr. Acker said. Last month it filled 65 percent on domestic flights, up from 51.9 percent a year ago. He added that advance bookings on Florida flights for December have been "tremendous."

Mr. Acker instituted the simplified fare structure, with its unrestricted reductions, shortly after arriving on Sept. 1. He dismissed the contentions of some that a "high-cost" airline such as Pan Am could not bring enough new traffic with the fare cuts to make the

strategy pay off. "We were not selling... the fares we are reducing," he said. "We were selling something completely different."

As an example, he said that only 14 percent of Pan Am's passengers between New York and London were paying the coach fares that were reduced; the balance of the seats were sold at discounts. "So by getting rid of the other discounts and by lowering the coach fare, we're actually increasing our yield, rather than decreasing it," he commented.

Pan Am still is losing money, but it is losing less. Daily losses of

\$1 million have been cut to "below \$800,000," he said. "For the first time this year, the trend has changed; the thing is improving... revenues are better than the previous month and expenses are lower..."

Mr. Acker said a number of changes designed to reduce expenses were already in the works when he joined Pan Am from Air Florida. These include a 10-percent pay cut taken by management and labor and reductions in overhead costs and personnel. Many of the tasks of departed vice presidents have been taken on by re-

maining staff. More executive changes and a streamlined organization structure are to be announced soon.

He also is looking to save money other ways, including moving Pan Am's offices out of the Pan Am Building and possibly out of New York altogether, although no decision has been made. Pan Am is considering subleasing the floors it occupies — it easily could charge twice what it is paying — or selling its long-term leases outright. The airline also is considering selling two Boeing 747 freighters and other aircraft.

# Nuclear Project Woes Jolt U.S. Bond Markets

(Continued from Page 9)

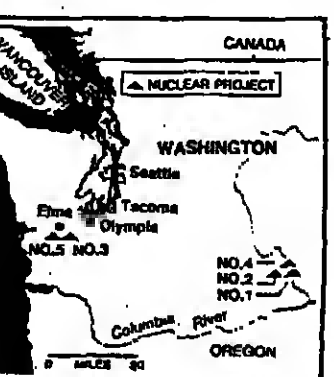
that bill soars to \$23.7 billion. This compares with an initial estimate in 1974 of \$4 billion for all five, and a timetable with the first plant finished in 1977.

## \$46-Billion Tag

The ultimate total debt service interest and principal repayment costs of the Supply System bonds are conservatively estimated at more than \$46 billion over about 30 years.

The Supply System was formed in 1957 to finance construction of generating facilities that its members were too small to undertake alone. Many members had no experience in generating electricity; rather, they bought cheap power from the Bonneville Power Administration.

Studies that had optimistically predicted the need for the plants by the late 1980s now predict Plants 4 and 5 will not be needed until the 1990s. Bonneville officials had said there would be insufficient power in the region if the plants were not built and that Bonneville stood ready to purchase the output. Some analysts now ar-



gue that the plants will not be needed at all.

"One of the critical mistakes early on was that they didn't realize the magnitude of the job," said James Perry, a senior vice president at Bache Halsey Stuart Shields. "If any one essential element was missing, it was management."

From the outset, problems developed in the construction of all five, resulting in delays and cost increases. With no plants finished

to generate power and revenue, the Supply System has had to issue new bonds to cover interest payments to holders of outstanding bonds. At a 10-percent interest rate, each \$200 million in borrowings results in a liability of \$640 million in interest and principle repayment over the bond's life.

## Tax Rating

The financing on the first three plants was secured by Bonneville, which picked up the costs in return for the output from the plants. But when the Internal Revenue Service ruled that future net billing arrangements would not be tax-exempt, 88 local utilities involved in Plants 4 and 5 decided to build them without Bonneville's financial umbrella. As security, they pledged their rate-making ability and agreed to pay the costs even if no power was ever generated.

Since then, a bill enacted by Congress in 1980 to shape regional power development virtually rules out a Bonneville bailout of mothballed Plants 4 and 5, only 23 and 17 percent complete, respectively, analysts say. Bonneville can acquire Plants 4 and 5 only if they

are shown to be cost-effective and only after other alternatives are exhausted and the additional power is still needed.

In two years, the 88 participants must decide whether to finish the plants, sell them or terminate the project. Termination would mean that the 88 would have to pay back some \$2.25 billion in borrowings through rate increases and get no power in return.

So far, the only thing that the Supply System has brought the region is higher rates to absorb the system's costs. Bonneville increased rates 88 percent in 1980 and 50 percent more in 1981. Increases of 45 percent and 35 percent have been announced for 1982 and 1983. And, as rates climb, power demand has dropped, further lessening the need for Plants 4 and 5.

"Whoops has mortgaged cheap hydropower to finance more expensive nuclear generation," said Eileen V. Titmuss, a vice president with Drexel Burnham Lambert. "Now it's questionable whether it's all needed. And they can't go back. They will never again have the cheap power."

All of these Securities have been sold. This announcement appears as a matter of record only.

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Postipankki	Skopbank	Union Bank of Finland Ltd.



NEW YORK (AP)—Weekly Over the Counter stocks...

Table with columns: 100s High Low Last Chgs. Lists various stock symbols and their prices.

Over-the-Counter

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Advertisement for Republic of Finland DM 100,000,000 10 1/2% Bearer Bonds of 1981/1986. Includes logos and a list of participating banks.

Advertisement for U.S. \$75,000,000 Crédit Foncier de France Guaranteed Floating Rate Notes due 1988. Includes logo and a list of participating banks.



Handwritten signature or mark in a box.

Over-the-Counter

Table of stock market data with columns for 'Sells in 100s High Low Last Net Change'.

Table of stock market data with columns for 'Sells in 100s High Low Last Net Change'.

Table of stock market data with columns for 'Sells in 100s High Low Last Net Change'.

Selected U.S. College Football Results

Table of college football game results, including team names, scores, and locations.

American Exchange Options

Table of American exchange options with columns for 'Option & price', 'Calls', and 'Puts'.

Chicago Exchange Options

Table of Chicago exchange options with columns for 'Option & price', 'Calls', and 'Puts'.



Students in Evanston, Ill., were in a dark festive mood Saturday when they tore down the south goalpost at Northwestern's Dwyer Stadium.

FIA Bans Lotus 88

PARIS — An international tribunal has banned the controversial "double-sprung" Lotus 88 grand prix car for the second and apparently final time.

They ruled that on further appeal against a declaration by the International Auto Sports Federation — that the car and its derivatives were illegal — remains possible.

NBA Standings

Table of NBA standings for Eastern, Central, Western, and Pacific divisions.

Mayers Are Finalists In Stockholm Tennis

STOCKHOLM — Sandy Mayer upset top-seeded Jimmy Connors, 6-3, 6-3, Sunday to set up a final with younger brother Gene in the Stockholm Open tennis tournament.

Turnbull Wins in Hong Kong

HONG KONG (AP) — Top-seeded Wendy Turnbull of Australia won the women's final of a professional tennis tournament here Sunday with an easy 6-3, 6-0 victory over Sabina Simmonds of Italy.

More Sports On Page 15

Table of American exchange options with columns for 'Option & price', 'Calls', and 'Puts'.

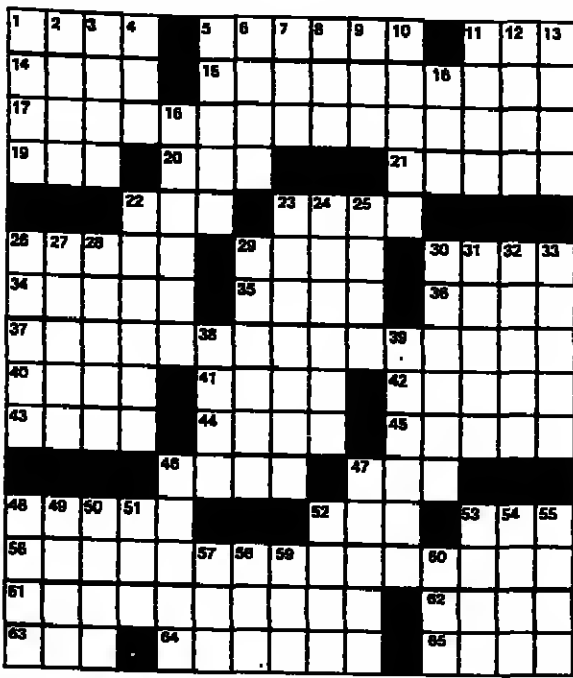
Table of Chicago exchange options with columns for 'Option & price', 'Calls', and 'Puts'.

Classified advertisements for escorts and guides, including contact information for various agencies and services.

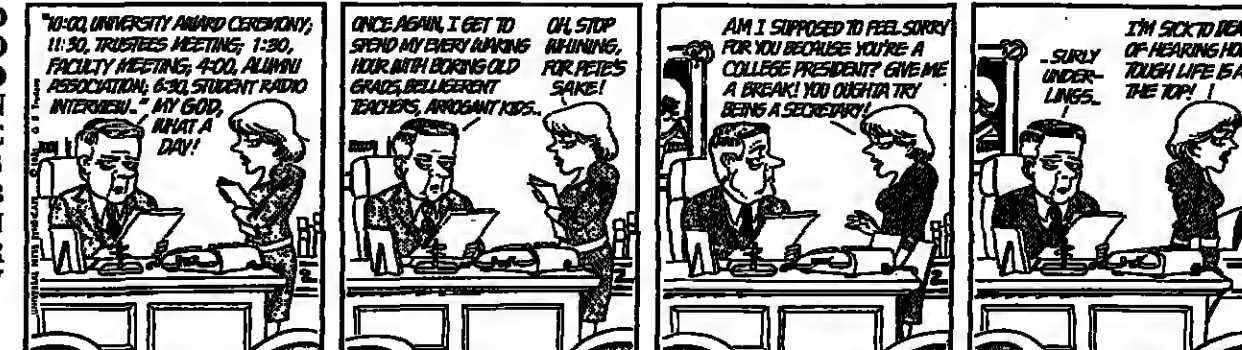
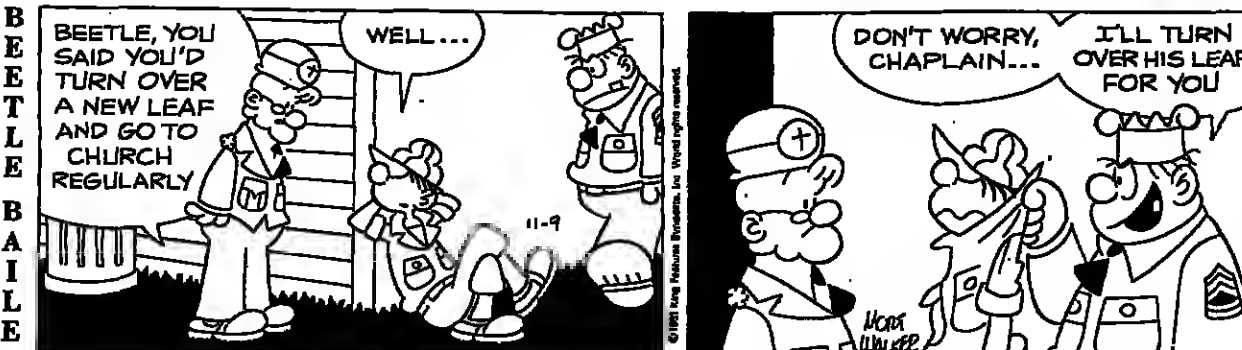
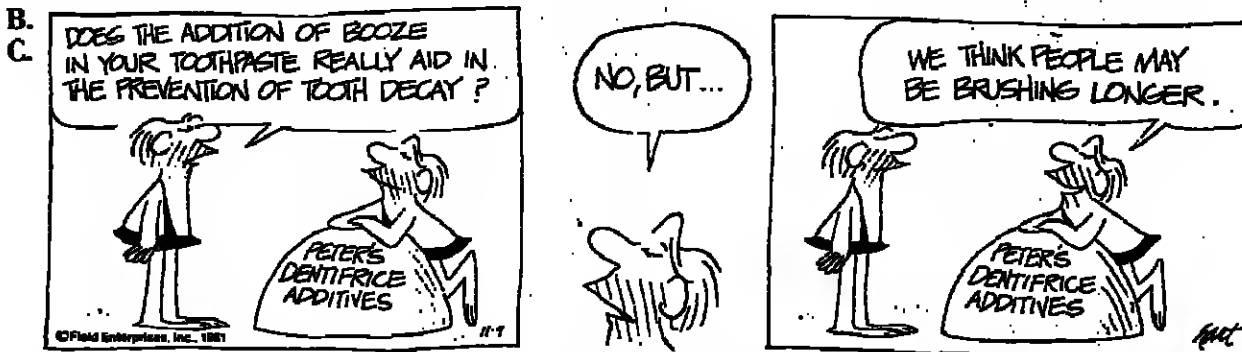


CROSSWORD

By Eugene T. Maleska

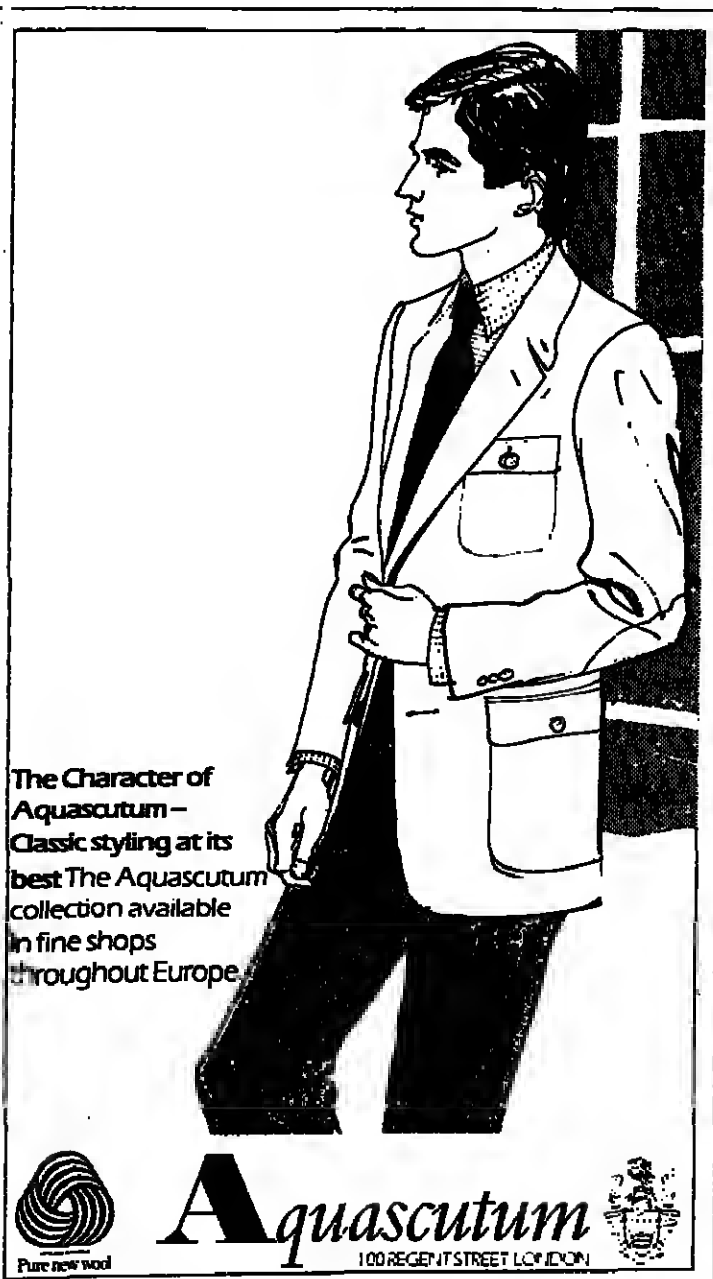


- ACROSS: 1 Naive person, 5 Guides, 11 Hedges of diamond fame, 14 Cupid, 15 Office location since 1890, 17 He took office in 1825, 19 Word with brush or lift, 20 U.S. in U.S., 21 Nash creation, 22 Silence, 23 Florida county, 24 Consolation for Dick Weber, 25 Printer's mark, 26 Graf, 27 Like a stake, 28 Fencing piece, 29 Cape, 30 He took office in 1877, 40 Voyaging, 41 Down (New England), 42 Dancer, 43 Type of insurance, 44 Experts, 45 Yorkshire city, 46 G.W. was our first, 47 Hickory (Andrew Jackson), 48 Horrendous, 52 Business house in Brest; Abbr., 53 Dussan, 54 He took office in 1850, 61 Induct into office, 62 Impromptu, 63 Hallow follower, 64 Toughened further, 1 California, 2 Mine, in Mayenne, 3 Nobelist in Physics; 1922, 4 Sea bird, 5 Shifted, 6 "Is My Song," 1967, 7 One, in Lonsbruck, 8 Common abbr., 9 King, in Cádiz, 10 Pare, 11 Forage plant, 12 Ideologies, 13 "majesté", 14 Lyric poem, 15 Note seeking investigation, 20 Billy or Martha, 21 Testifies under oath, 24 Watusi, 25 Exploit, 26 Small herring, 27 Refresher of a fort, 28 Modify, 29 Vandalize, 30 Gazel, 31 Person named as a check, 32 Correct, 33 Double curves, 34 Admiral, 35 Early rabbi, 36 Biting beech, 37 Lubricated, 38 Frenchman's female friend, 39 Dark red, 40 Eskimo knife, 41 Refer to, 42 Subject of Gaud's first ship, 43 Gaud's "Days of Wrath", 44 Gaud's "first ship", 45 traditionally, 46 Machine heard, 47 Compete with Sebastian Coe, 48 Actress Joanne, 49 Distant, 50 West some hams do



WEATHER

Table with columns for city, high, low, and weather conditions. Cities include ALGARVE, ALGERIA, AMSTERDAM, ANKARA, ATHENS, AUCKLAND, BANGKOK, BEIRUT, BELGRADE, BERLIN, BOSTON, BRUSSELS, BUCHAREST, BUDAPEST, BUENOS AIRES, CAIRO, CASABLANCA, CHICAGO, COPENHAGEN, COSTA DEL SOL, DUBLIN, EDINBURGH, FLORENCE, FRANKFURT, GENEVA, HELSINKI, HONG KONG, HOUSTON, ISTANBUL, JERUSALEM, LAS PALMAS, LIMA, LISBON, LONDON, LOS ANGELES.



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JUMBLE

Word game section with a cartoon of a man with a stag on his head. Text: 'MIGHT GO TO THE HEAD AT A STAG PARTY.' Includes words like COTIN, LOFAR, SEIBED, MINOOT and instructions to unscramble them.

DENNIS THE MENACE



BOOKS

NEW GUINEA TAPEWORMS AND JEWISH GRANDMOTHERS. Tales of Parasites and People. By Robert S. Desowitz. 224 pp. \$12.95. W. W. Norton & Co., 500 Fifth Avenue, New York 10110. Reviewed by Jane E. Brody.

IT MAY be hard — perhaps even impossible — to imagine that tales about worms, eggs and human wastes can make pleasurable, even compelling, reading. But that's what Robert S. Desowitz, a professor of tropical medicine at the University of Hawaii, has managed to achieve in this illuminating and delightfully written account of the parasites that plague humankind throughout the world. It is a rare scientist who is able to write entertainingly about his or her life's work without sacrificing accuracy (Stephen Jay Gould and Lewis Thomas leap to mind as among the few exceptions). For example, in discussing the schistosome, a life-draining parasite that ran amok in Africa following the construction of dams, Desowitz says the damage is done by the body's response to the parasite's eggs. "The immune system," he writes, "usually fights off these eggs — at this time is as hyperactive as the broom of the Sorcerer's Ap-

prentice; it doesn't switch off after its mission has been accomplished." The author's insights frequently bring universal and contemporary relevance to otherwise exotic episodes in the annals of human parasitology. In the title piece, in which a tapeworm infestation stemming from a New Guinean habit of eating undercooked pork recalls the fishworm infestation of Jewish grandmothers who fasted undercooked gefilte fish, to see if it was done, an Indonesian governor remarks with an air of superiority that it is difficult to change the customs of primitive people even for the sake of their health. Desowitz relates, "I was about to agree when I noticed that we were both smoking cigarettes." In pithy reports, Desowitz shows how creatures as small as six-tenthousandths of an inch managed to change the course of human history. In this case, the tapeworms carried by the infamous tsetse fly caused a fatal infection in horses that stopped a 19th-century Muslim cavalry invasion in its tracks, thus preventing Islam and its vast sociopolitical influences from infiltrating the densely populated Benue and Niger river valleys. After reading about tapeworms and amebiasis acquired by eating raw food, will you ever again be able to enjoy steak tartare, sushi or green beans? Desowitz has not been deterred: At the home of a friend from the Cook Islands, he dined recently on Tahitian marinated fish — "and I went back for seconds. It was delicious."

CHESS

YOU can't routinely play to win with Black because all the routines favor White. Bobby Fischer, before his retirement, often used to ask incredulously, "What are you doing trying to attack when you haven't yet equalized?" And no one ever criticized the former world champion for timidity at the board. In the absence of a clear error by White, something special is required — either a novel plan or an unexpected tactical twist — for Black to win. A fine example of the use of surprising tactics by Black is seen in the game between the United States 7th-champion, Walter Browne, and Carlos Guimard, an Argentine grandmaster, in the Cordoba-Capri International Tournament in Santiago, Chile. Guimard's 5 Q-R4 was one of the earliest answers to 4... B-R3, but its popularity has waned because, in the long run, the white queen is uncomfortably placed on QR4. It was once common for Black to play 5... P-B3, but 6-N-B3, R-K2; 7-B-N2, 0-0; 8-B-B4, Q-B1; 9-R-QB1, Q-N2; 10-P-Q5, K-P3; 11-P-P3, P-P2; 12-B-B3 about a positional gambit strong for White. It would not have been correct, after 5... P-B4, to try the thrust 6-P-Q5, since 6... P-P3; 7-P-P3, B-N2 (7... N-N3; 8-Q-K4ch); 8-P-K4, Q-K2; 9-N-B3, N-QP wins a pawn. Browne's system of defense permitted Guimard to set up the Maroczy bind pawns at QB4 and K4 at move 12. After 12... 0-0, Browne thought that 13-P-K5, N-N5; 14-B-B4, P-K4; 15-P-K3, P-B3; 16-P-R4 would give White the chance for a possible mating attack, but 13... N-K1; 14-B-K3, N-R3; 15-Q-Q1, P-Q3 would have been fully adequate for Black. It would have been difficult to omit the retreat with 15-Q-Q1, since the alternative 15-KR-Q1, N-K4; 16-P-N3, P-QR3 is awkward for the White queen.

Browne's 16... P-QR3 created the positional threat to attack White's center with 17-P-Q4. Guimard stopped this with 17-P-QR4, but Browne brilliantly recognized, the time was ripe for the tactically ingenious breakthrough with 17... P-Q4! Had Guimard tried to win a pawn with 18-KP3, P-P3; 19-NxP, N-N3; 20-QxN, then 20... P-Q4, Guimard would have had 21-Q-K3, R-Q1; 22-Q-B4, P-R3; 23-B-B4, Q-Q1; 24-K-B2, B-B2; 25-Q-N4 (25-Q-B5, R-K4 followed by 26-Q-R3, Q-K1 wins a piece), N-K4; 26-Q-B5, P-N3; 27-Q-K4, Q-Q2; 28-P-Q, N-N5ch; 29-K-B3, N-R7ch would have won the exchange. After his alternative, 18-BP3, P-P3;

Chess board diagram showing a position after 17 P-QR4. Below the board is a table of chess notation for White and Black moves.

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